FBIS DAILY REPORT

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ALFONSIN TO ANNOUNCE NEW ECONOMIC MEASURES

PY132300 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2250 GMT 13 Jun 85

[Text] Buenos Aires, 13 Jun (NA) -- Argentine President Raul Alfonsin and Economy Minister Juan Sourrouille will address the nation tonight to announce a set of economic and social measures aimed at "directing the battle of the entire society against inflation and crisis." This information was released tonight by presidential spokesman Jose Ignacio Lopez, who said that tomorrow at 1200 there will be a cabinet meeting at Government House to approve the measures which will be announced that same night. The presidential spokesman also indicated that "it is absolutely false" that the idea of freezing bank deposits in Argentine currency is being considered. Lopez confirmed that the Central Bank has ordered a bank and exchange holiday for tomorrow.

Further Report

PY131718 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1437 GMT 13 Jun 85

[Text] Buenos Aires, 13 Jun (NA) -- Presidential Secretary German Lopez announced this morning that the government is going to provide extensive official information on all economic measures which have been adopted or are about to be adopted. Lopez did not discard the possibility of the freezing of prices, salaries, and utilities. Lopez denied that there are plans to carry out "massive dismissals" in the public administration, and confirmed that half of the Christmas bonus will be paid and that the June salaries will reflect the authorized increases. Lopez made this announcement to the journalists accredited to Government House. He also confirmed that last night President Alfonsin discussed these proposals with several ministers and legislators at the Olivos residence.

BANKING INSTITUTIONS REPORT RUN ON DEPOSITS

PY131731 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1600 GMT 13 Jun 85

[Text] Buenos Aires, 13 Jun (NA) -- A notable run is occurring within the local financial sector. People who have savings accounts are withdrawing their funds from financial organizations. Very long lines are forming in front of these organizations. Officials from some of the main local banking institutions, as well as some foreign ones, have expressed concern about the possibility of not being able to meet the deposits demands for funds for the remainder of the banking day. Basically, the withdrawal of funds is being made from normal savings deposits and virtually completely from time savings deposits, which are not being renewed. In the current accounts section the atmosphere is more calm due to the fact that businesses must maintain an indispensable cash flow.

The run was caused by information indicating that 14 June will be declared a bank holiday and that at the same time important measures will be announced that will affect those having liquid assets, among others.

Bank Holiday Announced

PA132251 Paris AFP in Spanish 2211 GMT 13 Jun 85

[Text] Buenos Aires, 13 Jun (AFP) -- The Argentine Central Bank has decreed a holiday for tomorrow, Friday, for all banking and exchange services, Alfredo Concepcion, the bank's president, told the press tonight. The ranking official denied an alleged freezing of all dollar deposits.

The holiday will facilitate implementation of a package of measures on the "war economy" that President Raul Alfonsin will announce to the nation on Thursday evening, top government officials said.

MINISTRY RELEASES POLICY MEMORANDUM TO IMF

PY131911 Buenos Aires TELAM in Spanish 1051 GMT 13 Jun 85

[Text] Buenos Aires, 13 Jun (TELAM) -- The Economy Ministry tonight released the policy memorandum submitted by Argentina to the IMF on 11 June 1985. The memorandum emphasizes that the government is going to attempt to sharply reduce inflation to 8 percent a month in the first quarter of 1986. This is equivalent to 150 percent a year. The agreement reached by the Argentine delegation with the IMF and the creditor banks respects the commitment made by the executive branch to maintain the salary readjustment guideline, which is the equivalent of 90 percent of the previous month's inflation rate. According to the memorandum, the Argentine Government also promises to reassess the 1985 fiscal budget which has already been submitted to Congress and to make changes aimed at reducing the budget by 12 percent. It is estimated that the deficit reduction in the nonfinancial public sector, which is established in the budget, will go from the 1984 figure of 12.75 percent of the gross domestic product [GDP] to less than 6 percent in 1985. Expenditures will be reduced from the 1984 figure of 34.5 percent of the GDP to 31 percent in 1985 while income will increase from 22 percent of the 1984 GDP to 25 percent in 1985.

Regarding the achievements made so far by the administration of the Radical Civic Union, the memorandum says that the income of the public sector, including the income of public enterprises, increased slightly to about 22 percent of the 1984 GDP, and that the deficit of the nonfinancial public sector decreased from 11 percent of the 1983 GDP to about 8.5 percent in 1984. The government emphasized that the decision not to hire personnel in the public sector will play an important role in the improvement of public finances.

The government also expressed its concern over the high level of tax evasion. Therefore, a number of tax reforms were recently submitted to the National Congress to establish a more equitable tax structure to encourage the voluntary payment of taxes. The government is also making efforts to eliminate many of the exceptions and to halt tax evasion. It hopes to establish a simplified system to collect the value added tax from small taxpayers, to simplify the legal regulations and procedures, and to facilitate legal actions against tax evaders.

In order to ensure the implementation of the program to halt expenditures in the public enterprises, the government plans to strengthen the supervision of the enterprises through the Auditors Office of Public Enterprises. This task will be facilitated by the requirement established in the 1984 budget that as of 1985 the budgets of all public enterprises are subject to approval by the national executive branch.

Regarding federal coparticipation for 1985, the government decided to reactivate the system which legally expired on 31 December 1984. Due to the large increase in the taxes partially assigned for investment purposes, in accordance with the special agreement on coparticipation, the government says that in 1985 the provinces will receive from the national government an increase in funds of 0.25 percent of the 1984 GDP.

Regarding money exchange policies, the memorandum says that the government believes that in order to increase exports it will be necessary to have profitable prices to encourage expansion of production. In this regard, the increase in the exchange rate was close to 20 percent, in real terms, from August to November 1984, and it has remained stable since March 1985.

To encourage export growth the government restated the policy of adjusting the exchange rate [words indistinct] indicating that the exchange rate will be adjusted in accordance with the fluctuations in domestic prices in relation to those of international prices.

Regarding the goal to continue strengthening the position of the country abroad, a plan has been made to reduce the overall deficit in the balance of payments of $1.74 billion in 1984 to $1.65 billion in 1985. The government said that bilateral agreements have been reached with some creditors and that it will try to reach an agreement with others. In this regard, an agreement is about to be reached with creditor banks to stagger the $14.5 billion payments which expired in 1982 or which are going to expire in December 1985.

The memorandum also says that an agreement is about to be reached for a new financing of $4.2 billion from creditor banks, and that it has received guarantees from the official creditors for additional commercial financing worth $1 billion. A substantial part of this special financing will be used to pay debts which are due and to meet other foreign obligations. Back payments will be eliminated by 31 March 1986, and there will be no more payment delays after that date.

In addition to the elimination of back payments, the government wants the request for foreign currency from the private sector to be based on firm commitments. Therefore, the government plans to establish a deposit account with the equivalent in pesos for overdue foreign payments which will be deposited in the Central Bank when the payments are due.

CGT LEADERS CONFIRMED; LABOR MINISTER ON WAGES

PY122136 Buenos Aires BUENOS AIRES HERALD in English 12 Jun 85 p 11

[Text] (NA-DYN) -- Unified CGT [General Confederation of Labor] leaders were confirmed in their posts yesterday as Labour Minister Hugo Barrionuevo told delegates at the International Labour Organization (ILO) conference in Geneva that Argentina's 1,000 percent annual inflation makes it impossible to reestablish collective wage contracts.

The 36-man CGT directive council led by Saul Ubaldini, Jorge Triaca, Osvaldo Borda, and Ramon Baldassini was confirmed during an assembly at CGT headquarters by representatives of 77 unions. But the council was given 180 days to hold a delegates congress to elect a permanent CGT leadership. Unionists also formally received all assets belonging to the CGT which were confiscated by the military regime in 1976. Labour Secretary Roberto Bigatti presided over the ceremony, which was originally scheduled for last Friday but suspended when the assembly crowd became unruly. Yesterday's assembly, besides confirming the present council, also enlarged it by adding four union men belonging to the Committee of 20. The 20 had refused to join the Unified CGT when it formed in January 1984. One of the 20 leaders, Juan Rachini, told the assembly that workers would "get the fatherland back with (President Raul) Alfonsin at the head or with the head of Alfonsin." In Geneva, Barrionuevo said accelerating inflation has forced the government to continue setting wages unilaterally. Barrionuevo argued that "within a context of high inflation such as now the free negotiation of wages does not guarantee sustained increases in workers' real incomes and instead introduces the danger of more serious economic and social distortions." The former unionist also told ILO delegates that since union elections were called last year, 590 first-level unions representing 2.2 million workers (67 percent of the unionized labour force) have held internal polls. Only 10.8 percent of the country's unions have yet to hold polls while 480 unions have leaders appointed according to the military decreed union Law 22,105, he added.

GOVERNMENT, PEASANT CONFEDERATION REACH ACCORD

PY121315 La Paz Cadena Panamericana in Spanish 1130 GMT 12 Jun 85

[Excerpts] The Single Confederation of Bolivian Peasant Workers [Csutcb] and the Agriculture, Campesino Affairs and Livestock Affairs Ministry have signed an agreement that resolves the question of roadblocks and the strike that is being staged by peasants in several districts throughout the country. The agreement was signed by Genaro Flores, Eleuterio Romero, Hugo Cayo, Filiberto Laura, Diego Ramirez, Armando Chaves, Elias Lopez and Felipe Tapia, for the Csutcb, and by Minister Guillermo Moscoso Rivero, who represented the government.

According to the agreement, the 14 basic points that were submitted by the Csutcb have been accepted, but this is not a victory, according to Genaro Flores, who explained that the government has promised to immediately resolve the sector's problems, but it does not guarantee that it will carry out its promise.

The agreement was concluded with the approval of a supreme decree that abrogates a previous Decree No 20,733. This supreme decree allows peasants to freely trade coca leaves. The decree states: Supreme Decree No 20,733 of 12 March 1985 is hereby abrogated. A police edict has also been issued and its only article states: Supreme Decree No 20,424 of 12 August 1984 is hereby implemented. This pertains to all clauses related to the commercialization of the coca leaf within the jurisdiction of the national police.

Roadblocks, Hunger Strike End

PA121615 Madrid EFE in Spanish 1521 GMT 12 Jun 85

[Text] La Paz, 12 Jun (EFE) -- The national transportation boycott called by the Single Peasant Workers Confederation of Bolivia (Csutcb) has ended with the signing of an agreement with the government, it was officially reported here today. By virtue of the agreement, the Hernan Siles Zuazo government pledges to abide by the terms of turning over agricultural machinery, issuing a new land reform law, granting low-interest credits, and organizing state transportation of produce and the marketing of the coca leaves, which the peasants control. For their part, the peasants agreed to refrain from measures to pressure the executive branch, and to end the transportation boycott on roads and highways and the hunger strike that 18 peasant leaders were staging at the offices of Guillermo Moscoso, minister of agriculture, campesino affairs, and livestock affairs.

Csutcb top leader Jenaro Flores stated that with the agreement the Bolivian agricultural workers have made substantial progress regarding benefits and their struggle to improve the living standards of the country's majority.

All Roadblocks Removed

PY131833 La Paz Radio Illimani Network in Spanish 1700 GMT 13 Jun 85

[Text] Leaders of the Single Confederation of Bolivian Peasant Workers have reported that as of today there is no longer a single roadblock on any of the highways linking the provinces and departments. All roadblocks were removed as soon as the agreement reached with the government officials became known. In some regions of conflict, such as Cochabamba and Santa Cruz, and in some parts of Yungas, the roadblocks had already been lifted by order of the unions, it was reported. Thus, today all is normal in the peasant sector which has demanded compliance with its requests which it made known some time ago.

PRESIDENT SARNEY TO COORDINATE 'NATIONAL PACT'

PY112012 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 11 Jun 85

[Text] In the face of the lack of interest shown by Brazilian Democratic Mobilization Party [PMDB] President Ulysses Guimaraes in the Chamber of Deputies, President Jose Sarney has decided to assume the role of coordinator of the national pact. President Sarney in effect has now moved from the realm of words to the world of action. On 14 June, the president will start a new round of talks with representatives of several national sectors at the Torto farm. The president is convinced that without the pact it will be impossible to promote the basic reforms the country needs. He explained the objectives of the pact he has been proposing and noted that he needs to expand and to strengthen the bases of support for his government.

Guimaraes yesterday again chose to ignore the issue, to the point of asking: What kind of pact is it? He noted, however, that the only essential thing now is to call a national constituent assembly. Newsmen asked him the same question twice, and he gave them the same reply on both occasions. What the government needs, Guimaraes said, is (?to take the appropriate actions) against recession, inflation, high interest rates, the foreign and domestic debt, unemployment, and so forth. If you want to call this a pact, that is fine.

DEPUTIES APPROVE MAYORAL ELECTIONS FOR 15 NOV

PY140205 Brasilia Domestic Service in Portuguese 2200 GMT 13 Jun 85

[Excerpt] The Chamber of Deputies today approved the draft bill that calls for elections on 15 November for mayors in capital cities, hot springs resorts, national territories, and municipalities, including those in national security zones. However, the deputies did not approve a runoff election system.

Many of the corrections made to the draft bill refer to providing free television and radio time for the electoral campaigns 60 days before the elections take place.

Another issue that was hotly discussed but which was finally approved is the article that allows small political parties to participate in the elections as long as they are nationally established parties or an organized political party, or if they have provisional regional directorates in at least five states.

GOVERNMENT NOT TO SPEED UP DEBT NEGOTIATIONS

PY120210 Brasilia Domestic Service in Portuguese 2200 GMT 11 Jun 85

[Text] The Brazilian Government does not intend to speed up the debt negotiations with the IMF and the creditor banks, presidential spokesman for economic affairs (Costa Neto) has said.

(Costa Neto) explained that the negotiations will continue at their normal pace and will develop in conformity with the orientation and the conditions imposed by President Jose Sarney. He added that no schedule has been established and that the Planalto Palace is not tied to one.

MINISTER DENIES RUMORS OF CABINET CRISIS

PY130224 Madrid EFE in Spanish 0117 GMT 13 Jun 85

[Text] Antofagasta, 12 Jun (EFE) -- Chilean Interior Minister Ricardo Garcia today denied the insistent rumors of a cabinet crisis that have been circulating in the past few hours. After opening the meeting of the Economic and Social Council in Antofagasta (northern Chile),the interior minister was asked about the rumors of a cabinet crisis. He replied: There is no crisis.

The minister also explained the difference between the state of siege and the state of emergency in accordance with the decision made by the Constitutional Court. He said: The state of siege is completely different. The law of implementing the state of emergency is one that complements the Constitution, and the state of siege refers to an overall situation that is constantly evaluated and can be lifted if necessary.

MERINO SAYS PORT ON EASTER ISLAND IMPERATIVE

PY130316 Santiago Radio Chilena in Spanish 2330 GMT 12 Jun 85

[By Jose Francisco Contreras]

[Text] Government junta member Admiral Jose Toribio Merino today said he favors accepting the NASA request for space shuttle emergency landings on Easter Island. He added that it is essential to build a port for the operation of fast ships. Adm Merino referred to those who criticize the project as ignorant, and dismissed the idea of retired Rear Admiral Carlos A. Le May to sell the island.

Merino thus added a new element to the Easter Island airport issue: the imperative need to supplement the project with the construction of a port for security reasons. Merino explained that the operation of an international airport near the sea calls for the operation of fast ships to act in case a plane falls into the ocean after taking off. It is imperative to have a port for the operation of such ships, he said. He added that Easter Island has a small bay, and if someone offers to build a port, I would let them.

Asked whether the construction of a port has been addressed by the interministerial commission that is considering the Easter Island issue, Merino replied: I cannot tell you, because I have not attended the talks. I am awaiting the information at my office.

The government junta member also referred to the criticism of the project because of the possible military uses of the airfield. In this regard, Merino said that those who criticize the project are ignorant people who were politicians in the past, but not now.

[Begin recording] The people can think whatever they want. In general, those who speak loudest are the most ignorant. They are very likely to say anything to influence those who do not know the issue well, because ignorant people are bold, particularly if they are former politicians. [end recording]

Merino added that if someone offers to extend the Easter Island airport, we should accept, because he has no money and Chile does not have any, either. On the other hand, Merino dismissed the proposal of retired Rear Adm Le May to sell the island. He is not in the Navy, and I don't agree with what he says, Merino concluded.

BOMBS EXPLODE AT BANK OFFICES IN BOGOTA, CALI

PA122013 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 11 Jun 85

[Text] Bogota -- Branch offices of the Bank of Santander in Bogota and Cali were targets of terrorist attacks early this morning. Three bombs went off, while two others were defused. Two medium-intensity bombs exploded in Bogota, one at the bank's branch office located at the International Center, and the other one at the bank's western branch. The blasts caused property damage, but no casualties. At the same time two other homemade bombs were defused at 13th Avenue and 54th Street in northern Bogota.

Meanwhile, in Cali, another bomb exploded at the Bank of Santander located at 5th Avenue and 13th Street, also causing property damage but no casualties.

The Revolutionary Workers Party [Partido Revolucionario de los Trabajadores], PRT, claimed responsibility for the attacks in a phone call received by CARACOL Network. An individual who refused to identify himself said that the attacks were in reprisal for the massive dismissal of bank employees, who have presented a list of demands.

DISCOVERY OF LARGEST OIL FIELD FIND ANNOUNCED

PA092027 Bogota EL TIEMPO in Spanish 3 Jun 85 pp 1 A, 8 A

[Excerpt] Tenza, Boyaca, 2 Jun -- The Cano Limon oil field in Arauca has 1.36 billion barrels of the highest quality oil which definitely makes it the largest discovery in Colombia, according to official statistics publicized for the first time by the Colombian Petroleum Enterprise [Ecopetrol].

Of that volume of crude, the Colombian firm believes that it will easily obtain 600 million barrels during the primary exploitation period; that is, 45 percent of the total found in the field area and included in the contract between Ecopetrol and the Occidental Oil Company. In the opinion of the affiliate company of the U.S. Exxon Oil firm, the volume that can be easily extracted totals 60 percent; that is, a little over 816 million barrels.

Oil Companies Split Deposit

PA080447 Bogota Television Service in Spanish 1730 GMT 7 Jun 85

[Report by Amparo Pelaez]

[Text] The Occidental Petroleum Corporation sold one-half of its holdings in Arauca Department's Cravo Norte oil fields to the Dutch-British Shell Oil Company, it was learned several hours ago. The transaction, first of its kind in Colombia, involved more than 139 billion pesos at the current exchange rate. It is recalled that Occidental is party to the association contracts [contratos de asociacion] at Cravo Norte, Arauca, where a deposit of 1.35 billion barrels of top quality oil was discovered. A total of 600 million of those will be drilled, with one-half of the yield going to Occidental and the rest to the Colombian Petroleum Corporation.

The deal between Occidental and Shell has stirred much speculation. Some observers believe that the move will allow Occidental to surmount its current financial crisis, while others indicated that the deal was cut in order to secure the Colombian Government the millions it needs to resolve its internal financial crisis. It is said that yesterday's transaction between the Occidental Petroleum Corporation and Shell Oil Company will enable the government to overcome the financial crisis it is currently facing after the National Congress voted down an executive bill on budgetary increases designed to combat Colombia's fiscal deficit.

GARCIA ENDS VISIT TO ITALY WITH TRIP TO VATICAN

PY131554 Lima Radio del Pacifico in Spanish 1300 GMT 13 Jun 85

[Text] Peruvian President-elect Alan Garcia Perez yesterday concluded his visit to Italy which began on Monday, 10 June, with a visit to the Vatican. A scheduled meeting with Italian President Sandro Pertini was suspended at the last moment due to a sudden illness afflicting the Italian president.

Garcia sent a message to the Italian president wishing him a quick recovery and regretting the fact that the meeting could not be held. During his 3-day visit, the Peruvian president-elect met with Prime Minister Bettino Craxi and with Foreign Minister Giulio Andreotti. Garcia briefed Andreotti on the Peruvian political situation, especially on the socioeconomic problems he will have to face after his inauguration on 28 July. Andreotti has confirmed his government's full disposition to cooperate in restructuring the Peruvian economy, especially within the framework of relations between the EEC and the Andean Pact.

PRAELLI RETURNS FROM FRANCE, MEETS BELAUNDE

PY121518 Lima OAY-4Z Television in Spanish 0330 GMT 12 Jun 85

[Text] The 1-hour meeting held today between President Belaunde and General Cesar Enrico Praelli, chairman of the Armed Forces Joint Command, who returned yesterday from Paris, reportedly focused on the scope of international reports regarding the purchase of Mirage-2000 planes.

Gen Praelli went to Paris to attend the Le Bourget world aeronautics fair, at the special invitation of the French Government, where the most modern airplanes from several manufacturing countries were displayed.

The chairman of the Joint Command arrived at Government Palace accompanied by Air Force Commander Jose Zlatar Stambuk, Navy Minister Jorge Du Bois Gervasi, and Navy Commander in Chief Geronimo Cafferata Marazzi.

BARRANTES ON PARTY STANCE ON ECONOMIC POLICY

PY131427 Lima Cadena America Television in Spanish 0345 GMT 13 Jun 85

[Text] Alfonso Barrantes, president of the United Left [IU] and mayor of Lima, stated today that the IU will support the economic measures implemented by the next government of the American Revolutionary Popular Alliance, provided that they favor the people. Barrantes added that it is appropriate to strengthen our position before the IMF, as we are seeking a Latin American consensus.

CONSTRUCTION OF HUARANGAL NUCLEAR PLANT DELAYED

PY101405 Lima EL COMERCIO in Spanish 2 Jun 85 p A 7

[Text] According to General Juan Barreda Delgado, retired, chairman of the Peruvian Institute for Nuclear Energy (IPEN), construction on the Huarangal nuclear center has been delayed for budgetary reasons. But he noted that it is expected that the construction work will be finished within 27 months. Before his departure for Argentina, where he will deal with issues pertaining to his high-ranking post, Barreda noted that the Huarangal nuclear center will be one of the most modern of its kind and that it will have technological and scientific support from the Argentine nuclear center, thus making the Huarangal center the main axis of national development.

The official noted that it seems that the authorities have not granted the proper attention to the Huarangal nuclear project and even less to the highly qualified personnel who are working at the plant. He said that the opposite is taking place in neighboring countries where the construction of nuclear centers and the training of the respective personnel is being promoted, thus placing us at a disadvantage.

Regarding the salary of IPEN technical personnel, Barreda said that this is an issue that must concern the proper authorities since the personnel in question are highly qualified professionals and technicians. He said that since there is a great demand for nuclear professionals abroad, Peruvian experts emigrate since they earn very low salaries here. These salaries are not in keeping with their capacity. He said that an IPEN professional's salary does not total $150 while the same professional in Chile earns at least $1,000.

Barreda Delgado left for Argentina where he was invited to attend the 35th anniversary ceremonies of the Argentine National Commission for Atomic Energy and the 36th anniversary ceremonies of the Bariloche Balteiro Nuclear Institute.

SOUTH AMERICAN TERRORISTS REPORTEDLY MEET

PY131507 Lima Domestic Service in Spanish 0030 GMT 13 Jun 85

[Text] The leaders of South American terrorist organizations have recently held a meeting in Peru to coordinate their terrorist actions, according to a report prepared by the Peruvian intelligence service that was published today by an Ecuadoran news agency. Top leaders of the terrorist groups Shining Path of Peru, Alfaro Lives of Ecuador, the M-19 of Colombia, the Liberation Party of Argentina, the Movement of the Revolutionary Left of Chile, and the People's Committee of Bolivia met at an unspecified place in Peru to organize their destabilizing and terrorist actions. This report was prepared with the help of U.S. secret agents for President-elect Alan Garcia Perez. The meeting was organized by activist Jose Tapia Arroyo, the presumed liaison between the South American terrorists and foreign organizations.

SHINING PATH BLOWS UP RADIO STATION FACILITIES

PY092317 Paris AFP in Spanish 1624 GMT 9 Jun 85

[Text] Lima, 9 Jun (AFP) -- Two powerful dynamite explosions have completely destroyed the facilities of Radio Quillabamba near Cusco, southeast of Lima, the police reported here today. The radio is owned by a Spanish Dominican religious mission. According to the source, the attack against the only radio station in the town, located 210 km east of Cusco, caused no victims and was staged by an alleged Shining Path group on 8 June. The subversive attack may have been staged in response to a statement by Father Francisco Chevarria over the station condemning the killing of an unspecified number of peasants 3 days ago in Vilcabamba, in the same region, the police reported. No further details have been given.

In the meantime, another alleged Shining Path group early this morning hurled a bomb at a police station in the so-called Alto Peru area, Chimbote, 400 km north of Lima, causing only minor damage, the police reported. The attack, the first staged in the second largest Peruvian port, where a state of emergency has been declared because of a 72-day-old strike by fishermen, has been followed by the arrest of some 150 suspects in rapidly carried out operations, it has been reported.

REPORT ON MEXICANS AIDING NICARAGUA DENIED

FL121450 Mexico City NOTIMEX in Spanish 0330 GMT 11 Jun 85

[By Jesus Cuevera Morin]

[Excerpt] Managua, 11 Jun, (NOTIMEX) -- The Mexican Embassy in Nicaragua denied today that international groups, Mexican civilians, or Mexican-supported military exist in Nicaragua.

Reporter Cosme Haces, who recently visited Nicaragua on a Mexican businessmen's tour, published in the Mexican daily EL NORTE a report that was later reproduced by the Costa Rican newspaper LA REPUBLICA, and a day later by the Nicaraguan evening paper LA PRENSA.

The report asserts that the Mexican Foreign Ministry Secretary sent 400 Mexican internationalists to Nicaragua, who, according to Cosme Haces, have been assigned to production battalions and defense units in the Sandinist Army.

NICARAGUAN ENVOY SAYS U.S. PROVOKES CONFLICT

FL071904 Mexico City NOTIMEX in Spanish 1750 GMT 7 Jun 85

[Text] Mexico City, 7 Jun (NOTIMEX) -- The government of Ronald Reagan is trying to provoke border incidents with Costa Rica and Honduras in order to attack Nicaragua under the pretext of overthrowing a communist system, which the Sandinist regime is far from being. In an interview with the Mexican press, Nicaraguan Ambassador to Mexico Edmundo Jarquin Calderon also said the United States supports the counterrevolutionaries and involves itself in the nation's internal affairs for the purpose of expanding its political, economic, and ideological domain, without respecting the human rights and self-determination of the people.

The Nicaraguan diplomat said the people and government of his country are politically and morally prepared to face any aggression, since they have a clear desire and determination to resist economic, ideological, and military friction in their territory from the United States and its Central American allies. Jarquin Calderon also said U.S. President Ronald Reagan does not have the complete support of Congress, the public, or of the world to continue or prolong his war against Nicaragua. Nicaragua will become another Vietnam. The Sandinist ambassador said that the United States ignores the pacifist outlines proposed by the Contadora Group, which the United States openly supports, indicating its violation of political agreements and international rights.

PERUVIAN FOREIGN MINISTER ON FOREIGN DEBT

FL131422 Mexico City NOTIMEX in Spanish 2310 GMT 12 Jun 85

[Text] Mexico City, 12 Jun (NOTIMEX) -- Peruvian Foreign Minister Luis Percovich has called for a reduction of the international interest rates in order to keep Latin America's foreign debt from going from $300 billion to $800 billion in the next 15 years.

According to Percovich, due to the accumulation of interests, Latin America's foreign debt will increase by an additional $500 billion in the next 15 years, thus making it impossible for the area countries to fulfill their financial commitments. The official, who is visiting Mexico on a private mission, added that a longer grace period should be negotiated so that no surcharges are added to the interest to increase it.

He stressed that the regional problem is extremely serious and growing worse due to the developed nations' refusal to discuss the political and financial problems jointly.

The negotiations conducted by the Cartagena Consensus and at the Bonn summit are merely bilateral discussions of the debt problem instead of a multilateral approach to the issue.

Further on, the diplomat said that the lack of vision on the part of both the United States and Nicaragua might lead the world to an international conflagration. For this reason he stressed the importance of having the Contadora Group intensify its peaceful efforts and the United States and Nicaragua resume their dialogue in Manzanillo (Mexico).

Finally, he urged the nations involved in the conflict to abide by the international principle of nonintervention, and he asked all Latin American countries to support Contadora's efforts.

PRESIDENTIAL DECREES ON ENVOY APPOINTMENTS

Ambassador to Nicaragua

FL071740 Mexico City NOTIMEX in Spanish 0325 GMT 7 Jun 85

[Excerpts] The Foreign Relations Secretariat reported that, by presidential decree, Jose Luis Lamadrid Sauza has been appointed Mexican ambassador to Nicaragua and Hermilio Lopez Bassols has been appointed Mexican consul general to Houston, Texas.

Lamadrid Sauza was born in 1931 in Guadalajara, Jalisco. He studied law at the University Law School, where he has been a law, economics, philosophy and literature professor. In 1969 and 1970, he was professor of the seminar on political thought at the political and social science faculty of the National Autonomous University of Mexico.

In the public sector, he has held the following positions: deputy in the 45th, 49th, and 52d legislatures of the National Congress (1961-64, 1973-76, and 1982-85); head of the State of Jalisco Department of Public Education (1959-61); and senior positions in the Government Secretariat (1976-79).

New Ambassadors, Consuls General

FL052008 Mexico City NOTIMEX in Spanish 0330 GMT 5 Jun 85

[Text] Mexico City, 4 Jun,(NOTIMEX) -- The Foreign Relations Secretariat reported that by presidential decree, Jesus Francisco Domene Vazquez and Mario Armando Duron were appointed Mexican ambassadors to Australia and Haiti, respectively. The secretariat also said that within the regular rotation program to which members of Mexican Foreign Service regularly have to adjust, the following officials have been posted to the following consulates:

Martin Brito Hernandez, Mexican consul general in Chicago; Jorge Enrique Aguilar y Saldana, consul general in Hamburg; Mario Alberto Tapia Ponce, consul general in Hong Kong; Oscar Raul Araiza Lopez, consul general in New Orleans; Hector Mendoza Caamano, consul general in San Antonio; Edmundo Sont Lopez, consul general in Rio de Janeiro; Hector Enrique Perez-Gallardo Garcia, consul general in Antwerp, Belgium; Jesus Preciado Garcia, consul in Laredo; Carlos Dario Ojeda, consul in Puerto Rico; Alma Patricia Soria Ayufo, consul in Frankfurt; Carlos Antonio Bado Lopez, consul in the consular affairs section of the Mexican Embassy in Spain.

COSTA RICA

MONGE WARNS AGAINST FURTHER ACTS OF VIOLENCE

PA140229 San Jose Radio Reloj in Spanish 0102 GMT 14 Jun 85

[Speech to the nation by President Luis Alberto Monge; place and date not given -- live or recorded]

[Text] Fellow countrymen! How right our grandparents were when they said that courtesy and valor are not mutually exclusive. Prudence, sensibility, and strict respect for the law have always borne excellent fruit for Costa Rica. The stronger the storm, the more serene and firm we must remain within our principles of civility and legality.

Costa Rica is a state of rights, and we are all subject to respect for the law. Our democracy is strengthened because we all respect the will of the people. At moments of trial and tribulation such as those being experienced by the country, all citizens must unite under a single will to support the patriotic efforts being carried out by the government.

Since the day that I addressed you to denounce the armed aggression we experienced at the hands of Sandinist People's Army troops, the majority of Costa Ricans have expressed their solidarity and support for the government of the Republic. Former Costa Rican presidents and former presidential candidates of the two main democratic forces of the country attended meetings with me in which we analyzed the threat to our peace and stability that the bloody incidents on our northern border represent.

The news media have joined in a single demonstration of support for the Costa Rican decision to call on the inter-American legal system to present the charge and then act within the norms of international law.

Municipalities, civic organizations, labor groups, and unions, as well as many prominent persons, have expressed themselves in favor of the government's efforts.

A beautiful moment of patriotic communion came about on Monday when the citizens suspended their activities for 5 minutes to sing the national anthem and say a prayer for the two guardsmen who died while fulfilling their duties. To all of you I express my gratitude and my government's recognition. Unfortunately, this patriotic response to a call for sensibility, moderation, and firmness has been marred by a few incidents of violence, which I strongly condemn.

A group of excited persons who do not represent the feelings, much less the method of reasoning of Costa Rica, carried out an embarrassing act at the Nicaraguan Embassy in our capital. I am sure that I speak with the full support of the Costa Rican people in repudiating and reprimanding the actions of that horde that attempted to disrespect the Nicaraguan flag and seal. I have issued strict instructions to the police authorities to arrest those responsible for that sad action and to treat them in accordance with the law of the Republic.

With firmness and nobleness, I publicly offer the diplomatic representatives of the Republic of Nicaragua my most heartfelt apology and reaffirm my decision to offer adequate protection to that and any other diplomatic missions in our country.

The Costa Rican Government's plan was very well accepted at the OAS. We requested that a commission investigate the incident that occurred at the border.

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Unfortunately the front pages of the newspapers of America and the world have reported the attack against the Nicaraguan Embassy in Costa Rica. This deplorable act solely affects Costa Rica, the good of our democracy; our strict respect for international law.

Another act of insensible violence that I strongly condemn was the destruction of a high voltage tower near Liberia. I have also issued instructions to the police authorities to act strictly against those responsible for that attack, which damaged state owned property and represents another blemish on Costa Rica's image.

Anyone wishing to protest in this land, where freedom of expression is fully respected, may do so through any of the news media. The destruction of state-owned property is an act against all Costa Ricans. The government will fully enforce the law against those who have acted in this manner. Those who try to take the law into their own hands, defying legally appointed authorities, will pay dearly for it.

I condemn these acts of violence by those who should support Costa Rica's just struggle, as well as deplore those sectors supporting the aggressor and opposing our homeland. According to that minority, which does not represent the Costa Ricans' sentiments and will, it was a maneuver carried out by foreign forces and not a military aggression perpetrated by the Sandinist People's Army. In an effort to defend policies that are foreign to our nature, nothings stops them in their efforts to disseminate propaganda against Costa Rica. The citizens' rejection is enough to counter their political objectives, which oppose the people's will.

I issue a call to Costa Ricans, not to fall into the trap of violence. In addition, we must avoid warmongering temptations. Our defense and security rest on laws, not the force of armies. Thus, Costa Rica enjoys the support and understanding of American and European democracies. Democratic solidarity is much more powerful than the force of weapons.

I ask my fellow citizens to remain alert and constantly vigilant so that all the people living in our homeland will abide by the law. Beasts use force, men use the law. Let us harbor the hope and trust that as always, Costa Rica will overcome this current, difficult circumstance and be faithful to its principles and sound traditions.

I thank you all for your attention.

MONGE, EL SALVADOR'S CASTILLO CLARAMOUNT MEET

PA130408 San Jose Radio Reloj in Spanish 1200 GMT 12 Jun 85

[Text] The political, economic, and social situation of the Central American region was analyzed by Costa Rican President Luis Alberto Monge and Salvadoran Vice President and Foreign Minister Rodolfo Castillo Claramount during a luncheon meeting offered by the president at his private residence in Pozos de Santa Ana which included the participation of Vice President Armando Arauz Aguilar and Foreign Minister Carlos Jose Gutierrez. Bilateral relations and recent events in the border region with Nicaragua were also topics analyzed by Monge, Arauz Aguilar, Gutierrez, and the Salvadoran visitor.

Castillo Claramount said that the OAS is currently facing a challenge. The international organization is facing this situation given the demand presented by Costa Rica, which is real, concise, and sincere, the Salvadoran official added.

This is a protocol visit, but it undoubtedly includes a statement of respect for the Costa Rican people, system, and government, and a confirmation of the Salvadoran position regarding the events that have brought sorrow to the Costa Rican people, said Castillo Claramount. Castillo Claramount expressed the hope that the OAS will assume its responsibility and historical role, not only in the case presented by Costa Rica, as regarding the situation in Central America, the Caribbean, and Latin America in general.

He said that the OAS Permanent Council decision on the border events was accurate, adding that the Contadora Group's initiative must be strengthened and supported. We have always believed in it and see no reason why it should be curtailed. Castillo Claramount said that his government firmly believes in political solutions and international organizations, although he admitted that they have not been as accurate and timely as they should have been in the past.

The Salvadoran vice president and foreign minister will conclude his 24-hour visit this morning, when he will return to his country's capital. He said that he will visit other countries in the coming days, but he did not say if Nicaragua would be included. However, he asserted that he had chosen Costa Rica as the first country to visit in his role of foreign minister as proof of solidarity. The Salvadoran official is staying at the residence of the Salvadoran ambassador to Costa Rica and will return to San Salvador on a regular flight.

CIVIL GUARD CAPTURES ARDE LEADER CHAMORRO

FL131813 Mexico City NOTIMEX in Spanish 1733 GMT 13 Jun 85

[Text] San Jose, 13 Jun (NOTIMEX) -- The Costa Rican Civil Guard have announced that a few hours ago they captured Tito Chamorro, military chief of the Democratic Revolutionary Alliance (ARDE), who is regarded as Eden Pastora's most trusted man. No further details have been provided about Chamorro's capture, but he has reportedly been turned over to the Rural Guard.

It has been learned that Chamorro, ARDE's chief of operations, was detained at the border with Nicaragua along with the weapons and food he was carrying in a four-wheel-drive Toyota and two relatives who were accompanying him.

Further Details

PA131800 Paris AFP in Spanish 1720 GMT 13 Jun 85

[Text] San Jose, 13 Jun (AFP) -- Official sources today reported that the Costa Rican authorities have arrested Roberto Chamorro, "Commander Tito," the operations chief of the anti-Sandinist Democratic Revolutionary Alliance, ARDE. The Government Ministry indicated that Chamorro, second in command after Eden Pastora, was arrested last night by members of the Rural Guard, who were carrying out an operation in the border town of Boca San Jose.

The official source said that Chamorro was arrested along with two other counterrevolutionaries who were in a van with Costa Rican license plates and loaded with ammunition for AK and M-16 rifles, communications equipment, food, and military supplies.

Troops of the Sandinist People's Army (EPS) and ARDE -- which has lost ground during the past several weeks and has been dislodged from its positions on the western section of the bordering San Juan River -- are currently engaged in intense fighting near the site of the capture.

Tito Chamorro, his nephew Octavio Chamorro, and Armando Malespin are now in San Jose and will immediately be placed under court orders to initiate proceedings against them, a Rural Guard spokesman said.'

It is recalled that Chamorro was expelled from Costa Rica in 1984 after the government concluded that he had violated his refugee status by virtue of his involvement in military actions against Nicaragua -- actions that were also considered violations of Costa Rica's neutrality policy. However, reports by Boca San Jose residents and the Nicaraguan Government have indicated that Chamorro is in northern Costa Rica and in contact with the Costa Rican guard's high command.

It is also recalled that Chamorro lost an eye during the dynamite attack on La Penca, where Pastora was holding a press conference.

Meanwhile, authorities today charged "contras" with the murder of two Nicaraguans and a Costa Rican, gunned down last Sunday in Cuatro Esquinas del Cachito, Los Chiles, near the northern border. The Nicaraguans Miguel Aguilar and Jose Martinez admitted their membership in an armed group "directed by anticommunist Cubans," of which the victims were also part. The suspects stated that an argument broke out on account of excessive drinking, ending with the triple crime.

The anticommunist Cubans command a "contra" camp in Nicaragua, 1.6 km from the border, the Nicaraguans confessed. They were arrested in possession of two FAL and one AK-47 rifles and a fragmentation grenade. The men are also charged with placing grenades in the home of Costa Rican national Eliecer Sandi, whom the contras say is pro-Sandinist.

EL SALVADOR

FOREIGN MINISTER TOURS AREA COUNTRIES

PA122244 San Salvador Radio Cadena YSU in Spanish 1200 GMT 11 Jun 85

[Text] Vice President Rodolfo Castillo Claramount is leaving for Costa Rica at this moment on a tour that also includes Guatemala and Honduras. He is expected to return tomorrow, Wednesday. The trip is specifically intended to obtain first-hand information and to contact officials in charge of foreign policy in Central America in order to make El Salvador's foreign policy more consistent.

The following is a direct report by one of the members of the Foreign Ministry's General Directorate of Culture and Communication with regard to this tour. Go ahead.

[Begin report] Mr Castillo Claramount, vice president and foreign minister, is to visit Central American countries.

Rodolfo Antonio Castillo Claramount, vice president of the Republic and foreign affairs minister, will visit Costa Rica, Guatemala, and Honduras in order to brief the governments of those countries on the goals of President Duarte's administration and to establish formal contacts with his Central American counterparts at the beginning of his tenure. He will discuss bilateral matters, the Central American crisis, and the Contadora Group's efforts.

Castillo Claramount left for Costa Rica today, where he will talk with President Luis Alberto Monge and Foreign Minister Carlos Jose Gutierrez. He is scheduled to visit Honduras and Guatemala next week. [as heard] In Honduras, he will meet with President Roberto Suazo Cordova and Foreign Secretary Edgardo Paz Barnica, and in Guatemala with Head of State Oscar Mejia Victores and Foreign Minister Fernando Andrade Diaz-Duran.

Through these activities, the Salvadoran foreign minister intends to lay the groundwork for a more definite foreign policy in coordination with those countries, particularly with regard to matters of regional interest.

San Salvador, 11 June 1985

General Directorate of Culture and Communication [end report]

POWER LINES SABOTAGED; CAPITAL, EAST AFFECTED

PA130424 San Salvador Radio Cadena Sonora in Spanish 1730 GMT 11 Jun 85

[Alberto Barrera report]

[Excerpt] The Salvadoran leftist guerrillas have stepped up sabotage against the electric power system during the past few hours and, in a report today, Radio Venceremos, the insurgents' station, claimed that they have caused power outages in 70 percent of the nation's territory.

The clandestine station said that 17 pylons and 4 towers were destroyed and high-tension lines damaged during dynamite attacks northwest of San Salvador and in the province of [words indistinct] San Miguel.

A spokesman for the Lempa River Hydroelectic Executive Commission, CEL, said that the guerrillas blasted the transmission lines of the Cerron Grande and 15 September hydroelectric plants, causing damage and shortages in the capital and the country's eastern region. The spokesman denied that the attacks had cuased outages in 70 percent of Salvadoran territory. Here is a report by the CEL spokesman:

[Begin recording] [CEL spokesman] We are having problems with the central line of the Cerron Grande hydroelectric plant, or Nejapa station. This has resulted in failures and deficiencies in the metropolitan area. All this has been caused by the blasting of towers with dynamite. We also have problems with the 15 September hydroelectric plant, or San Miguel station, for the same reason -- the destruction of towers. This does not affect the metropolitan area, but the country's eastern region.

[Reporter] What areas have no electricity at this moment?

[CEL spokesman] I would say that there are some areas in the east -- in Usulutan Department, southern San Miguel Department, the area around Santa Rosa de Lima in La Union Department, and up north.

[Reporter] In other words, we could say that there are problems in virtually three-fourths of the eastern region?

[CEL spokesman] I would say that more or less 30 percent of it is without electricity.

[Reporter] Do you mean the east?

[CEL spokesman] The east. [end recording]

Guerrillas Promise More Attacks

PA130305 San Salvador Radio Cadena YSU in Spanish 1200 GMT 11 Jun 85

[Text] The Salvadoran Army has succeeded in taking control of the road network to protect transportation. Meanwhile, leftist guerrillas have threatened to increase their attacks on the electricity system starting this Tuesday if actions against the workers, especially those belonging to groups that have been on strike for over a month, increase.

Broadcasts by clandestine stations monitored in this capital Sunday night clearly indicated that sabotage of the power system may worsen on Tuesday after results of the labor movements become known.

As we reported in our newscast early this morning and in last-minute reports, Salvadoran Army troops and police occupied the installations of the waterworks services early today but did not come into contact or engage in violent clashes with the workers, again according to reports from labor leaders themselves.

There were no acts of violence today during the occupation of the waterworks installations, but a ruling by a labor judge to the effect that the movement is completely illegal has been complied with.

MAYOR SHOT; CLASHES OCCUR IN JUCUARAN

PA122236 San Salvador Radio Cadena YSU in Spanish 1200 GMT 12 Jun 85

[Text] According to sources at the Santa Teresa Hospital in Zacatecoluca, the mayor of San Rafael Obrajuelo, La Paz Department, is out of danger. Yesterday afternoon, four individuals shot mayor Rolando Guzman.

Another report states that units of the Bracamonte Battalion and FMLN columns have waged fierce clashes in the past few hours in the vicinity of Jucuaran, Usulutan Department. As of now, the 6th Infantry Brigade sources confirmed one soldier dead. No casualties have been reported on the guerrillas side.

Meanwhile, according to military sources of San Francisco Gotera, Morazan Department, residents of that departmental capital have marked their eighth day without electrical power. In addition, businesses there are sustaining economic losses. Residents are asking the Lempa River Hydroelectric Executive Commission to reestablish power as soon as possible. Residents of Jiquilisco, Usulutan Department, who have been without power for the past 7 days, have made the same request.

FMLN BANS MOVEMENT IN MORAZAN; EXPECTS ATTACK

PA140110 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 14 Jun 85

[Communique of the FMLN Miriam Mercedes Letona Northern Group of the Rafael Arce Zablah Brigade in Morazan Department, dated 13 June]

[Text] The General Command of the Rafael Arce Zablah Brigade's Miriam Mercedes Letona Northern Group announces that as of 1800 today, Thursday, our guerrillas north of the Torola River will massively mine several areas of Morazan Department in anticipation of advances by the enemy north of the Torola River beginning tonight. All our units anticipate an enemy operation. (?In consequence), we will wear down the enemy as much as possible. For this reason, we announce to all Morazan residents north of the Torola River in the Joateca, Meanguera, Villa Rosario, Arambala, Perquin, San Ferenando, and Jocoaitique jurisdictions that they are to move only on our instructions. Similarly, movement on the road from Ocicala to Perquin has been banned. All these measures are aimed at guaranteeing the safety of the civilian population and allowing our combat units to inflict the greatest possible number of casualties on the dictatorship's troops. We appeal to the population to listen to our programs and our units' instructions on moving about.

Revolution or death, we will win.

[Signed] General Command, Commander Miriam Mercedes Letona Northern Group of the Rafael Arce Zablah Brigade.

Morazan, 13 June 1985

GUATEMALA

SECURITY FORCES ARREST 700 IN 72 HOURS

PA130005 Mexico City ENFOPRENSA in Spanish 2329 GMT 12 June 85

[Text] Guatemala City, 12 Jun (ENFOPRENSA) -- Local news media reported today that more than 700 persons have been arrested by government security forces in the past 72 hours.

The information reveals that beginning Sunday, 9 June, approximately 300 police agents and detectives of the National Police's Technical Investigations Department (DIT) surrounded several zones in southern, central, and eastern Guatemala City at dawn to search houses, vehicles, and people.

The news media added that most of the arrests resulted from not having identification papers, which is not considered a crime under current law. The police campaign has failed to curb the wave of violence that has claimed more than 70 victims in the past 2 weeks.

National Police spokesman Colonel Mario Ramirez Ruiz said 2 days ago that the operations will continue throughout the Guatemalan capital, "until calm returns to the neighborhoods." Meanwhile, first aid stations have reported that 15 persons have been murdered, 11 arrested or reported missing, and 7 wounded as a result of government violence during the past 6 days.

NICARAGUA

ORTEGA READS COMMUNIQUE ON U.S. CONTRA AID

PA132230 Managua Domestic Service in Spanish 2128 GMT 13 Jun 85

[Nicaraguan Government and FSLN National Directorate communique dated 13 Jun 1984 [as heard]; read by President Daniel Ortega at the Presidential Palace in Managua -- live]

[Text] The Government of the Republic of Nicaragua and the FSLN National Directorate inform the Nicaraguan people and the international community of the following:

The Nicaraguan Government had been following with concern the determination of the U.S. Administration to make the two houses of the U.S. Congress yield and force them to approve a budget to finance the mercenary forces that, under the direction of the U.S. Central Intelligence Agency, launch terrorist attacks against the people of Nicaragua.

The fact that this financial support for the mercenary forces was presented under a humanitarian guise is irrelevant. What is clear here is the unacceptable, illegal, and immoral intervention of the U.S. Congress, which, yielding to the pressures of President Reagan's administration, has approved actions that violate the sovereignty and integrity of Nicargua. These attitudes contradict the principles of international law contained in the UN Charter and the other international legal instruments which both the United States and Nicaragua have signed. This attitude can be added to other similar actions such as the one recently adopted in the economic sector against Nicaragua.

The aggressive policy of the U.S. Administration succeeded in imposing itself over those voices in the U.S. Congress that urged reason and sensibility. We, the Nicaraguans, consider this to be a wrong step taken by the U.S. Congress that strengthens the up to now unchangeable attitude of the Reagan administration to lead the current aggressive escalation to direct military intervention by U.S. troops against sovereign Nicaragua and its people.

This is a responsibility the U.S. Congress should meditate on and seek a constructive solution to so as to prevent an interventionist solution and thereby advance through dialogue and negotiation to achieve a worthy peace.

The U.S. Congress' decision negatively affects the Latin American political scenario; it seriously endangers the peacemaking efforts of the Contadora Group and simultaneously reduces the possibility of a reasonable understanding between Nicaragua and the United States.

Given this new situation that the U.S. President has been able to impose on Congress, which represents a buildup of war preparations against Nicaragua and brings the possibility of direct U.S. military intervention in our homeland even closer, the Nicaraguan Government held a meeting with the FSLN National Directorate and has adopted the following decisions:

1. To suspend the unilateral disarmament measures that our government was enforcing in the defense sector in an effort to comply with Nicaragua's willingness to carry out the essential points presented in this regard by the Contadora Group in the 7 September 1984 document for peace. This will allow the Nicaraguan people to request all the materials and cooperation necessary for our defense plans, given the current circumstances and the heightened U.S. armed threats against our people.

2. To inform the governments of the Contadora Group member countries of the urgent need to discuss at the next meeting, convoked for 18 June in Panama City, the new situation and to review the topics being analyzed at the meetings. These actions are necessary to curb the United States' increased interventionist aggression against Nicaragua, which increasingly exacerbates the already deteriorated regional situation.

3. Nicaragua reasserts its support of the peace process carried out by Contadora and maintains its steadfast willingness to immediately sign, without modifications, the document for peace presented by the Contadora Group in September 1984.

4. Nicaragua maintains its readiness to participate in a dialogue with the United States once the U.S. Government decides to renew the talks that it unilaterally abandoned in January 1985. The dialogue in Manzanillo must be renewed in order to discuss ways to normalize relations between the United States and Nicaragua and to stop the current war and the increased intervention.

5. The Nicaraguan Government and the FSLN National Directorate issue a call to all the people to double their efforts when carrying out the national defense tasks, thus improving our fighting capability until we crush the mercenary forces, and to strengthen all defense preparations so that we may be prepared to reject, resist, and defeat an eventual direct military intervention by U.S. troops.

On this drive to mark the sixth anniversary of the victory of the Sandinist people's revolution, and with the same courage, decisiveness, and heroism with which we fought against and defeated the Somozist dictatorship and imperialist domination, we shall know how to prepare and organize ourselves even better today in order to wage these new battles that the imperialist aggressor has imposed on us. Following the example of Sandino, Rigoberto, and Carlos Fonseca, Nicaragua will emerge victorious, will never be up for sale or give up.

Free homeland or death!

Managua, 13 June 1984 [as heard]

Holds Press Conference

PA140031 Managua Domestic Service in Spanish 2317 GMT 13 Jun 85

[Press conference held by President Commander of the Revolution Daniel Ortega Saavedra with U.S. and Nicaraguan correspondents at the Presidential House in Managua with Luis Cabrera as moderator -- live]

[Text] [Cabrera] The first question posed is whether the decision announced today by the companero president in the message to the people of Nicaragua means that Nicaragua will purchase sophisticated weapons. The companero president answers:

[Ortega] This means that Nicaragua, after unilaterally declaring a hiatus on advisers and weapons, is now free to make all the necessary arrangements as required to defend the country. All that it takes to defend the country will be worked on, taking into consideration this new situation.

[Question indistinct]

[Ortega] All the purchases needed to defend the country will be made.

[Question indistinct]

[Ortega] Well, Nicaragua has relations with many countries throughout the world, with countries of different ideological tendencies, and my task will be to make arrangements with all those countries.

[Question indistinct]

[Ortega] We have pointed out that Nicaragua is the only country in Central America that does not have a rapid response air defense system. Our planes have a limited capability, the planes we have right now, cannot be compared with the equipment that the other Central American countries, such as El Salvador and Honduras, have. On many occasions we have stressed the need for Nicaragua to fill a number of requirements that would meet its defense needs. We had agreed to a temporary halt in view of the Contadora Group request. The Contadora Group has suggested a moratorium regarding the purchase of weapons and also suggested the withdrawal of all foreign military advisers from the Central American region. In accordance with Nicaragua's position and its acceptance of the Contadora Group's peace document, we unilaterally -- even though the peace document had not been signed since Nicaragua was the only country to accept the document and the other Central American governments did not -- decided to declare an indefinite moratorium. We even adopted specific steps to discontinue purchasing new weapons and to withdraw 100 Cuban military instructors. However, this worsening of the U.S. military situation forces us to adopt these measures and take all the necessary steps to defend the country, that is, make all the necessary efforts to defend the country.

[Question indistinct]

[Cabrera] He is being asked about the Contadora Group,

[Ortega] We hope that the Contadora Group, realizing the seriousness of the situation, will turn to finding a solution to this situation. This situation threatens Contadora and paralyzes the peacemaking efforts. We will have to try and resolve the situation that the United States is creating for Nicaragua and create conditions that will enable discussions and agreements within the Contadora framework to advance.

[Question indistinct]

[Cabrera] Companero president is being asked whether his recent trip to Moscow could have influenced several congressmen to change their minds. Whether (?he) had given any thought to what this decision could lend to?

[Ortega] I do not believe that it was the decisive factor,but rather a pretext used by the administration, manipulated by the administration to, among other things, obtain this vote in its favor. The administration has used several things, such as emphasizing that Nicaragua is a threat to the United States, that Nicaragua is a threat to Central America, that Nicaragua does not want peace, and so on, plus other charges launched by the administration against Nicaragua to obtain, by blackmailing the U.S. Congress, approval for it aggressive policy against Nicaragua.

[Question indistinct]

[Ortega] Well, we said clearly in our statement that we hope the members of the U.S. House of Representatives and Senate will reflect on this because this will lead to the hazards of a military confrontation. This will provoke another Vietnam in Central America, because the United States will not merely come for a stroll through Nicaragua. If the United States comes here, there will be bloodshed for the U.S. people, even though we do not want to shed blood. Logically, if they invade Nicaragua, there will be bloodshed for the U.S. and Nicaraguan people, and this situation would extend throughout the Central American region. We are sure that the U.S. Congress does not want this. We think that they were surprised by the President's pressure and threats to invade Nicaragua shortly if he did not recive this support. The congressmen do not realize that they have actually given their approval for President Reagan to launch a direct intervention against Nicaragua.

[Question indistinct]

[Ortega] I think that the political groups are trying to manipulate the return of Cardinal Obando y Bravo. They should respect the communique issued by the church in Nicaragua. Managua's archbishopric issued an official communique clearly stating that Cardinal Obando y Bravo's return and the mass to be held the following day at Don Bosco should not be given political connotations. We think that the political groups trying to manipulate this situation are not respecting the church's will; they are opposing the church's will and not helping to make Cardinal Obando y Bravo's arrival a celebration for peace. They are creating conditions to turn it into a situation that is not wanted by the church, Cardinal Obando y Bravo, or anyone in this country.

[Question indistinct]

[Cabrera] This question refers to Commander of the Revolution Bayardo Arce Castano going to the meeting to be held by the Socialist International tomorrow.

[Ortega] Yes, of course. This is a topic that Nicaragua will present and is already presenting at all international forums. We have clearly asserted our concern to all the international organizations in regard to the situation created by the U.S. Government and the Reagan administration as a result of the vote in favor of the mercenary forces. The gravest matter is that the Boland Amendment restricting the use of funds for military operations has been defeated.

We all know that President Reagan had been disregarding the Boland amendment; he had completely disregarded it. However, he has [words indistinct] the U.S. Congress' position, and this has practically given him the opportunity to launch military operations and support the mercenary forces' military operations with financial aid.

[Question indistinct]

[Ortega] We must bear in mind that as soon as the Congress vote was over, the mercenary groups began talking about an offensive against Nicaragua. These resources will be used to launch an offensive; this has been said by the leaders of those mercenary groups. The new offensive and criminal actions against the Nicaraguan people have been announced in Honduras and El Salvador. Thus, that is the real road chosen as a result of the U.S. Congress' decision. That road is being used by the U.S. Administration to maintain an aggression against Nicaragua, step up that aggression, and also strengthen the plans for direct military intervention. In other words, the possibility of a direct military intervention against Nicaragua has increased with those U.S. congressmen's votes. They surely thought that it would lessen the possibility of an intervention, but they only increasee the possibility.

Well, thank you.

MILITARY ATTACHE 'URGENTLY' SUMMONED FROM U.S.

PA131601 Managua Domestic Sercice in Spanish 0300 GMT 13 Jun 85

[Text] Commander Raul Venerio, military attache for air force and defense at the Nicaraguan Embassy in the United States and vice president of the Inter-American Defense Council, which is headquartered in Washington, has reaffirmed the need to support the Contadora Group's peaceseeking efforts as the only means to resolve the region's problems. The Nicaraguan military attache was urgently summoned to Nicaragua to discuss the country's latest developments.

Commander Venerio met today with Nicaraguan President Daniel Ortega Saavedra and Defense Minister Humberto Ortega Saavedra, chief of the Sandinist People's Militias. Here is an excerpt of his statement.

[Begin recording] [Venerio] I was summoned by the president of the Republic as commander in chief [of the Armed Forces] to discuss recent developments. I was briefed on the government's position on the area's problem. We have observed that our government and President Ortega continue to uphold a mature attitude toward the crisis.

[Reporter] What actions has the OAS taken with regard to the establishment of a demilitarized zone at the Costa Rican-Nicaraguan border?

[Venerio] Those actions are largely geared toward the Contadora Group. I believe that without any question, the Contadora Group is the forum where the situation must be discussed.

[Reporter] Could you tell us who will make up the commission?

[Venerio] It will definitely have to be representatives of the Contadora Group countries.

[Reporter] Are you aware of the peace solutions that the Costa Rican Government has proposed to the OAS?

[Venerio] In my capacity as vice president of the Inter-American Defense Council, I believe, and it has been set forth, that the OAS should not (?take action) in this case. The OAS itself has maintained and we have insisted that the Contadora Group be the forum where the region's problems are resolved. [end recording]

LOCAL PERSONALITIES COMMENT ON CONTRA AID VOTE

PA131558 Managua Radio Sandino Network in Spanish 1200 GMT 13 Jun 85

[Text] Supreme Court Judge Alvaro Ramirez has described U.S. President Ronald Reagan as an international criminal. Ramirez commented on Reagan's insistence on obtaining approval for more aid to the contras so that he can continue with his invasion policy. We present a brief interview with Supreme Court Judge Ramirez:

[Begin recording] [Ramirez] Mr Ronald Reagan is encouraging the appropriation of U.S. Government funds to supply the groups that are trying to overthrow the Nicaraguan Government. In accordance with a 1961 U.S. constitutional amendment [as heard], any person who attempts to overthrow a government with which the United States maintains diplomatic relations commits a crime. We are not the ones saying this. The U.S. Constitution says this. This activity to obtain congressional approval of $38 million to supply those who are killing the Nicaraguan people and who want to overthrow the Nicaraguan Government is described as a crime by the U.S. Constitution.

[Reporter] What principle or provision of international law is Reagan violating with his request?

[Ramirez] He is violating practically all the principles of international law that govern relations among nations, the UN Charter, the OAS Charter, and the statutes of international legal forums such as the International Court of Justice and international economic organizations. The entire structure of the international law system is based on respect for the sovereignty of peoples, noninterference in the internal affairs of other states, the proscription of the use or threat of force in relations among nations, and the fact that no state has the right to use force to impose its political will on another sovereign state. All of these principles that are the basis of international law are being undermined by this aggressive attitude of the Reagan government. [end recording]

Luis Sanchez Sancho, secretary general of the Nicaraguan Socialist Party [PSN], has condemned the U.S. House of Representatives' approval of supposedly humanitarian aid for the Somozist counterrevolutionaries. Sanchez Sancho said that these discussions violate international law.

[Begin Sanchez Sancho recording] The position of the PSN and of the workers' sectors that it guides, leads, and organizes in its ranks and that it orients through the union organizations of the independent [word indistinct] is one of rejection, indignation, and categorical condemnation of this maneuver by the U.S. Government that first led to the Senate approval of $38 million in what they call quote humanitarian unquote aid and that is now being discussed in the House of Representatives. We believe that regardless of what decision is made, that discussion is a violation of and an attack on the Nicaraguan people's national sovereignty and self-determination and the most elemental principles of international law. The U.S. Government has approved those principles in the UN Charter and in subsequent protocols signed by UN institutions to develop international law and respect for the independence and sovereignty of nations and peoples.

As a serious, responsible, patriotic, revolutionary, and anti-imperialist party, we maintain a position of condemnation and repudiation and of solidarity with the other revolutionary forces and the government facing this new escalation of aggression by the U.S. Government. We call on the Nicaraguan people to close ranks against the U.S. maneuvers and aggressions. [end recording]

Eli Altamirano, secretary general of the Communist Party of Nicaragua, has said that the aid being discussed by the House of Representatives for the Somozist mercenaries is not humanitarian because it is destined for a devastating war against Nicaragua.

[Begin Altamirano recording] First of all, it is not humanitarian aid. It is inhuman. It is aid to continue a war that is bringing bloodshed to our people. It is an attack on all the national interests. Therefore, it is not humanitarian aid from any viewpoint. On the contrary, it is aid for a destructive war. We are very concerned and we hope that the U.S. House of Representatives, even though it is an institution of imperialism, will understand that we are living in civilized times and that free peoples have the right to choose their own destiny. They must understand that Nicaragua is not a threat to the United States. It is just the opposite. Nicaragua is the one that is threatened. In view of this, they should vote against the decision of the U.S. Senate. We do not believe this will be so because we understand that the hands of the CIA and of the big imperialist monopolies are involved in the politics of the two U.S. legislative chambers and that they make the decisions. We believe that we will be seriously threatened. I think that the government and the political forces need to form a great national unity to face any U.S. imperialist aggression. [end recording]

Msgr Pablo Antonio Vega, president of the Nicaraguan Episcopal Conference, said last night after the U.S. House of Representatives approved the funds for the contras that he did not want to say anything because whatever he said might be manipulated.

[Begin recording] [Vega] I have told you that we do not want to comment because there is too much manipulation about such things and it (?creates difficulties). There is too much manipulation and we do not want [words indistinct].

[Reporter] As a man of God, how do you view this situation when it goes against international law?

[Vega] What goes against every universal human right is that the people cannot exercise their own sovereign rights. That is the main thing.

[Reporter] Then the Reagan administation goes against that right of the peoples to be free?

[Vega] Not only in the region, but in many others. [sentence as heard] [end recording]

TELEVISION COMMENTARY ON APPROVAL OF CONTRA AID

PA131959 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 13 Jun 85

[Unattributed commentary]

[Text] The United States has again acted consistent with its history and tradition of arbitrary actions, exploitation, arrogance, and aggression. In a word, all this signifies imperialism, either in a covert and cynical way, or in its most overt form: the direct intervention of its troops.

The U.S. House of Representatives, acting consistent with bloody, interventionist U.S. history, today approved the granting of $27 million to the counterrevolutionary bands operating against our people.

The aid is disguised as nonlethal assistance; however, no one believes this, and everyone realizes that that is the least important aspect. Worse than granting those millions of dollars to those responsible for thousands of deaths in our country is giving them political support so that they can keep on destroying our economy, killing defenseless peasants, and continue kidnapping and raping women.

In reality, President Ronald Reagan has achieved an important victory for his policy of death and destruction by getting the U.S. Congress to back him in his virtual declaration of war on Nicaragua. This is so, because in addition to approving the multimillion dollar aid for the counterrevolution, the U.S. Congress also lifted the ban that prevented the U.S. Government from granting direct **or** indirect support for military or paramilitary actions against Nicaragua.

In reality, it was not the destiny of our country that was being discussed at that congressional session, as the U.S. Administration dared to say; the issue under discussion was how to continue the infamous aggression against us. Because, companeros, Nicaragua's destiny is not discussed in the United States; it is forged in each Nicaraguan willing to give his life, if necessary, before allowing anyone to dishonor our homeland.

TINOCO SEEKS CONTADORA COMMISSION ON BORDER

PA140341 Managua Domestic Service in Spanish 0239 GMT 14 Jun 85

[Text] The Nicaraguan Foreign Ministry has sent the following note to all Contadora foreign ministers tonight:

Gentlemen Ministers: I have the honor of addressing myself to your excellencies to express my government's desire that the Contadora countries become well informed of the Nicaraguan Government's stance on the critical situation at the Nicaragua-Costa Rica border as a direct result of the presence of unconventional forces that -- in the framework of the United States' warmongering and interventionist policy -- have intentionally provoked regrettable events, for which efforts have been made to unjustifiably and irresponsibly blame Nicaragua.

For this reason and through me, the Nicaraguan Government hereby invites the illustrious governments of the Contadora member countries to appoint a special commission to carry out an on site inspection in the San Juan River sector as soon as possible. The Nicaraguan Government believes that this visit will allow the nations that participate in this negotiating effort to appreciate -- on the spot -- my government's efforts to normalize the situation at the border with Costa Rica.

In addition, my country wants to once again stress that the tensions between Costa Rica and Nicaragua do not respond to my government's willingness for peace. Those conflicting situations are the direct result and consequence of the use of Costa Rican territory by mercenary forces bent on deteriorating the relations between the two countries through provocation and feigned incidents that -- gratuitously attributed to Nicaragua -- serve as justification for the U.S. Government's war of aggression against the Nicaraguan people.

Firmly and sincerely, the Nicaraguan Government wants a final solution to these artificial tensions. Toward this end, we have proposed the establishment of a demilitarized zone between Costa Rica and Nicaragua under international supervision with Contadora's support and France's cooperation. We are sure that the presence a Contadora delegation at the San Juan River area will constitute an important step toward peace and concord between Central America's sister nations.

I hereby take this opportunity to express my appreciation and consideration to Your Excellencies.

[Signed] Victor Hugo Tinoco, foreign minister by law

CARLOS NUNEZ ON EMBASSY ATTACK, CONTRA AID

PA131640 Managua Radio Sandino Network in Spanish 1200 GMT 13 Jun 85

[Text] Commander of the Revolution Carlos Nunez said that the National Assembly condemns the disrespect and desecration of the symbols of the fatherland by the counterrevolutionary and extreme rightist groups that attacked the Nicaraguan Embassy in San Jose 2 days ago.

[Begin recording] The fact that the National Assembly did not issue a statement yesterday with regard to the events in Costa Rica, where our embassy was attacked by vandals, does not in any way mean that the National Assembly is not filled with indignation about the attack suffered by our embassy. I think that for any Nicaraguan, regardless of his political ideology, the fact that the symbols of our fatherland are desecrated by any person, whether nationals or foreigners, is an offense that is condemnable from any viewpoint. The symbols that represent a country, in this case Nicaragua, are part of the national heritage that we have to defend with all our energy. In addition to being condemnable, the Nicaraguan people must understand that this was an action by extreme rightist groups in Costa Rica. Unpatriotic Nicaraguans also take part in these activities. They support the counterrevolutionary activities and (?unite) with those extreme rightist groups to increase the tensions between Nicaragua and Costa Rica, thereby promoting much more difficult situations and hindering the relations between the two countries. [end recording]

Regarding the people's reply to the political, military, and economic harassment by the Reagan administration, which was given a free hand yesterday to use government funds to finance the counterrevolutionary groups that attack our country, Nunez said:

[Begin recording] Our attention should permanently center on the increasingly more intense development of imperialism's aggressive policy. As long as Reagan is U.S. president, he will disregard U.S. public opinion opposed to his Central American policy, to the blockade he has imposed against Nicaragua, to the war he has unleashed against Nicaragua, and to the [word indistinct] and decisions of Congress. [sentence indistinct] This means that as long as we maintain the banner of dignity, independence, and the defense of sovereignty, Reagan will not accept that reality and will work to destroy the revolution. Therefore, the Nicaraguan people, who were characterized for not kneeling or bowing down to Somoza and the dictatorship and who fought for the 40 years that his system lasted, will not bow down to an enemy, no matter how strong. That enemy has not hesitated to bring bloodshed to the country. In order to maintain that banner of dignity, we must be aware of the grave situation we are experiencing, pay attention to the events, and above all, have great reserves of morale. Reagan wants to defeat us by force, by hunger, by isolation, and above all, by undermining the Nicaraguan revolutionary people's morale. These reserves of morale must be big enough to withstand all the imperialist attacks and demonstrate that the people will support their revolution to the end. [end recording]

MEXICAN EMBASSY ON REPORTED 'INTERNATIONALISTS'

PA122242 Managua Domestic Service in Spanish 0300 GMT 12 Jun 85

[Text] The Mexican Foreign Secretariat today denied that there are Mexican internationalist advisers within the structure of the Sandinist People's Army. The Mexican Embassy in Nicaragua issued a communique today in which it establishes its position on the false information regarding alleged Mexican internationalists in Nicaragua.

The following is the text of the communique released this evening by the Mexican Embassy:

Press Bulletin No 53

Regarding the information released by some international communications media on the presence in Nicaragua of several hundred Mexican internationalists reportedly participating in military defense tasks, the Mexican Embassy in Managua states:

1. There are no groups of Mexican internationalists, civilian or military, sponsored by the Mexican Government in Nicaragua.

2. In view of the electoral campaign currently under way in Mexico, certain opposition sectors have resorted to using the press with stories that lack proof or truth.

3. Mexico's participation within the framework of the Contadora Group is clear and strictly adheres to the universal principles that Mexico's foreign policy respects -- self-determination of the peoples, nonintervention, juridical equality of the states, peaceful solutions to international conflicts, and our country's staunch support for peace and cooperation among all nations.

BAYARDO ARCE HEADS DELEGATION TO STOCKHOLM

PA140407 Managua Domestic Service in Spanish 0221 GMT 14 Jun 85

[Communique issued by the Secretariat of the FSLN National Directorate in Managua on 13 June]

[Text] The Secretariat of the FSLN National Directorate reports to the Nicaraguan people that the FSLN delegation that will take part in a meeting of the Socialist International to be held in Stockholm, Sweden on 18 and 19 June will leave on Friday, 14 June at 0800. Commander of the Revolution Bayardo Arce Castano, coordinator of the National Directorate's political commission will head the FSLN delegation. The group is also made up of Companero Julio Lopez Camos, chief of FSLN's international relations department, and Companero Jose Pasos Marciaq, deputy chief of the same department. During this important meeting, the FSLN will outline Nicaragua's viewpoint on the current situation at the regional as well as at the national level.

Managua, 14 June 1985 [as heard]

Free homeland or death!

[Signed] Secretariat of the FSLN National Directorate

CONTRA LEADERS MEET, FORM UNITY GROUP

Managua Report

PA122255 Managua Domestic Service in Spanish 0300 GMT 12 Jun 85

[Text] Counterrevolutionary leaders Alfonso Robelo and Adolfo Calero Portocarrero are involved in an overt counterrevolutionary campaign sponsored by the Central Intelligence Agency, CIA. Calero and Robelo will arrive in El Salvador tomorrow to meet with the most unpopular and ultrareactionary sectors of that country. Calero [Arturo] Cruz, and Robelo will meet with representatives of the business oligarchy in an attempt to obtain their support for the terrorist activities of the armed groups operating from Honduras and Costa Rica. It was learned that these three leaders have united on the recommendation of U.S. President Ronald Reagan, who called a meeting in the Oval Office to make this recommendation.

Announcement on Unity Group

PA131919 San Salvador Radio Cadena YSU in Spanish 1800 GMT 12 Jun 85

[Report by Raul Beltran]

[Text] Now we bring you more information, of a local nature, regarding the Nicaraguan Opposition Coordinating Board and the Nicaraguan Opposition Unity that was formed today in San Salvador. The leaders of the Nicaraguan organization said that they had chosen El Salvador for the meeting because there is a growing democracy and freedom of expression in El Salvador.

Meanwhile, Adolfo Calero Portocarrero said: There are two main reasons for his presence in El Salvador: to reiterate our position of willingness for dialogue and for a political solution to the Nicaraguan problem -- as was done in El Salvador, where the government and the groups of those up in arms have already met twice -- and to announce the formation of the organization that as of today will be called UNO, or Nicaraguan Opposition Unity [Unidad Nicaraguense Opositora].

When explaining the integration of the various organizations that represent the private business sectors, as well as the Nicaraguan workers committees, the Nicaraguan Democratic Movement, the political parties, and the sectors in exile, Alfonso Robelo, Eden Pastora's former companero and combatant, said:

[Begin recording] I wish to begin by explaining that this document of the Nicaraguan Opposition Unity, UNO, has received the support of several organizations struggling for peace and democracy in Nicaragua. The Nicaraguan Opposition Coordinating Board, which has its headquarters in San Jose, Costa Rica, has signed the following statement:

The undersigned, representatives of the organizations that form the Nicaraguan Opposition Coordinating Board, CON, support and begin adherence to the concepts of this important declaration made by the Nicaraguan Opposition Unity, UNO.

This document is signed by Suad Farach, Nicaraguan Private Enterprise in Exile; Zacarias Hernandez, Movement of Solidarity With Nicaraguan Democratic Workers; Bayardo Lopez, Union Committee of Nicaraguan Workers and Peasants; Angela Flores, Nicaraguan Democratic Workers Committee [Comite de Trabajadores Democraticos Nicaraguenses]; Fernando Aguero Rocha, Nicaraguan Conservative Party in Exile; Fabio Gadea Mantilla, Nicaraguan Democratic Movement; Roberto Ferrey, Nicaraguan Social Christian Party in Exile; Wilfredo Montalvan, Nicaraguan Social Democratic Movement in Exile; and Adolfo Gabuardi, Independent Liberal Party in Exile.

I would like to stress to the journalists that we decided to hold this press conference here in the capital of a fraternal country, El Salvador, because we feel that here in this country there is currently a democratic process for the consolidation of democracy, which is a third path that does not seek to return to the past or to fall into Marxist-Leninist totalitarianism. This is precisely the path that we, the members of UNO, want for our country. Furthermore, El Salvador is a country that has also given priority to a political solution based on talks with the rebel groups, which have already been held twice. We, too, have repeatedly demanded talks, but each time the totalitarian Nicaraguan Government has either ignored us or rejected our proposal. This situation has prompted us to come to El Salvador, where there is freedom to express our viewpoints. We would also like to note that the fact that we have held this press conference and that we made this announcement today has no relation to the voting that is taking place today in the U.S. Congress, specifically in the House of Representatives. There is no relation, whatsoever, between the two events.

We thought that the voting was going to take place last week; however, there was a delay, and now it has coincided with our visit, which is merely a coincidence. Our efforts are aimed, as we stated in our document, at seeking a political solution, if possible, in order to spare our people from any further suffering. [end recording]

In addition, Arturo Cruz, Adolfo Calero Portocarrero, and Alfonso Robelo, members of UNO and top leaders of the Nicaraguan opposition, who were present at the Camino Real Hotel this morning, urgently requested the support of the Central American democratic governments. They added that the doors are open for Commander Eden Pastora to join this emerging organization that now groups all the sectors opposed to the Nicaraguan regime.

The Nicaraguan opposition leader denied the existence of counterrevolutionary camps on Costa Rican and Honduran territories. They also asked the Central American political sectors to be on the alert and to more closely follow the policy promoted by the Contadora Group, since it is indispensable for Nicaragua, specifically, for opening the path for political pluralism. Otherwise, they said, Contadora would be betraying the ideals of democracy and peace in the region.

GODOY PREDICTS SOVIET REACTION TO U.S. AID

PA132140 Hamburg DPA in Spanish 0941 GMT 13 Jun 85

[Text] Bonn, 13 Jun (DPA) -- Virgilio Godoy, leader of the Nicaraguan Independent Liberal Party, said today in Bonn that the increase in U.S. aid to the contras will provoke an increase in Soviet military aid to the Managua government, and a drift toward "Guatemala style" militarization will ensue.

Referring to the possible outcome of the armed conflict in Nicaragua, the Central American politician said that "there is a kind of stalemate" The government does not have the capability of crushing the rebel groups and the antigovernment guerrillas are equally unable to overthrow the government."

The Nicaraguan politician is paying a 1-week visit to the FRG and is holding meetings with members of the ruling Liberal Democratic Party and representatives of the Friedrich Neumann Foundation, which has ties with that party.

"This situation (cannot be changed) even with an increase in (U.S.) aid to the contras, because an increase on one side will only bring about an increase in Soviet military aid to the Government of Nicaragua," he added. This situation, he said, "must worry everyone because if things continue this way, there will be an almost unconscious drift toward a 'Guatemala style' situation which has already lasted 30 years without a solution."

Soviet military assistance worries us, the Liberal leader added. "It worries us as we have a very civilian concept of national life, and we note the increasing militarization. This cannot be good for anyone, and it also has an impact on the economy as it draws from human and financial resources and uses them for nonproductive activities."

The problem of East-West rivalry has again emerged here, Godoy added. "The Soviet Union although unwilling to foot the bill for the economic situation, finds it relatively easy to provide military assistance, while for the United States it is relatively inexpensive to give financial and technical backing to the counterrevolution."

"While this rivalry exists," the Nicaraguan opposition politician said, "the stalemate cannot be overcome."

BUSINESSMAN CLAIMS ANTI-PRIVATE SECTOR CAMPAIGN

PA092326 San Jose Radio Impacto in Spanish 1830 GMT 8 Jun 85

[Text] Ramiro Gurdian, vice president of the Higher Council of Private Enterprise, COSEP, and president of the Union of Nicaraguan Agricultural Producers, Upanic, has denounced a new campaign against the Nicaraguan private agrarian sector. According to Gurdian, yesterday in Masaya peasants sent by the Sandinist regime invaded four privately owned Masaya farms, some ready to be sown and others already sown. The president of Upanic told "Impact News:"

[Begin recording] By and large, because of the incidents in Chinandega, I would say that we are experiencing a situation similar to the uncertainty felt in 1980 or 1979. We see the implementation of various ways to seize land through banks and the agrarian reform. In Masaya, Managua Department, there are land invasions by peasants that are promoted by FSLN organizations such as the Association of Agricultural Workers [ATC] and he National Union of Farmers and Cattlemen (UNAG), (?to launch) a campaign that includes the (?destruction) of communications media, the construction of roadblocks, and the (?use of) radio and television to incite peasants to occupy lands. I have been denouncing this via the local media, and I have invariably been censored. The newspaper LA PRENSA did not circulate 3 days ago due partly to censorship of my report about this.

Yesterday, San Jorge, El Carmen, El Valle del Bote, La Pista, farms were occupied. These farms are cultivated by the (Sainsa) society owned by the Bolanos family. We see a clear inclination on the part of the government to further continue to seize land and debilitate the private sector. We have seen this tendency since the beginning of the revolution. Those men are Marxist-Leninists and their objective is to destroy private enterprise. There was an impasse, but in the past 10 days, the situation has worsened. [end of recording]

A situation like that prevailing in Masaya also exists in other areas of Nicaragua, such as Chinandega and Leon, where even the banks are foreclosing on farm owners without justification.

CORRECTION TO RAMIREZ ON U.S. CONTRA AID

The following correction pertains to the item headlined "Interview With Ramirez on U.S. Contra Aid," published in the 13 June Latin America DAILY REPORT, page P 7, fifth paragraph, lines three, four:

...than in Honduras, a country with a high level of U.S. military occupation and with considerable pressures, where opinion could never...(omitting reference to Costa Rica)

CASTRO ADDRESSES WOMEN'S CONFERENCE CLOSING

Report on Closing Ceremony

FL080421 [Editorial Report] Havana Television Service in Spanish at 0028 GMT on 8 June begins live coverage from Havana's Palace of Conventions of the closing ceremony of the conference on the situation of women today in Latin America and the Caribbean.

Camera pans the empty stage with its red backdrop bearing the name of the conference in Spanish and English, and the audience in the Palace of Conventions. Announcer in voice-over says women at the conference have been discussing many issues during the week. Cuban President Fidel Castro walks onto the stage at 0029 GMT and stands behind a large dias. He is accompanied by Politburo member Carlos Rafael Rodriguez, alternate Politburo member Vilma Espin, Interior Minister Ramiro Valdes, and other men and women who the announcer identifies as leaders of the party, government, and mass organizations of Cuba. The Cuban National Anthem is played at 0030 GMT.

Cuban Television staff announcer Manolo Ortega then introduces Espin, Doris Tijerina, president of the Continental Women's Front Against Intervention, and Susi Caster, from Haiti, who comes to the microphone at 0033 GMT and begins speaking in Spanish. She gives the report of the proceedings of the cultural committee's work throughout the week. She says, "Women play an important role in producing ideological values in society." One of the committee's conclusions was to denounce the setting up of Radio Marti.

At 0043 GMT, Ortega introduces Amalia Tejar, of Bolivia, who reads the report of the committee on the multiplicity of the women's struggle. She says "the repressed state of women is linked to the lack of development of our countries." She also denounces machismo as a form of repression.

Amalia Alonzo of Uruguay is introduced at 0104 GMT. She reads the report of the committee of the integration of women into the political reality. According to Alonzo, "We are currently in the most serious economic situation in 50 years and it bears directly on women's lives." She notes that women are participating in liberation struggles in El Salvador, Quatemala, and the southern cone.

At 0121 GMT, Ifigenia Martinez of Mexico is introduced and presents the report of the committee on the economic situation of women in Latin America. She complains that women are much affected by the recent economic problems and must sometimes turn to prostitution to feed their children. She blames the foreign debt and its high interest rates for many of these problems and says the debt is "unpayable" and that the resources should be used for development instead of paying the debt.

At 0143 GMT, Mireya Baltre, secretary general of the Continental Women's Front Against Intervention, is introduced and begins speaking. Baltre says "The women's struggle is part of the struggle for development." She, like the previous speakers noted the bad economic situation in Latin America and the Caribbean and the growing foreign debt, which exacerbates it. She calls for a fair solution to the crisis.

At 0159 GMT, Fidel Castro is introduced and begins speaking. He ends his speech at 0430 GMT, having spoken for 2 hours and 30 minutes. A recorded march is played as camera pans audience and then stage. Coverage ends at 0433 GMT.

Castro Address

FL080430 Havana Domestic Service in Spanish 0159 GMT 8 Jun 85

[Speech by President Fidel Castro at the closing ceremony of the conference on the situation of women today in Latin America and the Caribbean, held at Havana's Palace of Conventions -- live]

[Text] Latin American women comrades, Cuban women comrades, men comrades, there are some here. [laughter] I was to have elaborated on some ideas on the closing of this event tonight, but after listening attentively and in detail to each one of the reports from the committes and the final speech, very few things remain for me to say tonight. [laughter] I will make a few comments, discuss a few issues, and see what final conclusions we can draw from this event. I believe one of its characteristics has been its magnitude, the diversity of the political, ideological, and social sectors represented in this meeting. It can be said that this is one of the largest events to take place in our country. In addition, this meeting was characterized by the quality of the participants. I sincerely believe that this is one of the best meetings, one of the best events, of the best quality, that we have ever witnessed.

I had the opportunity to participate in one of the committees, Committee No 1. I also had the opportunity to visit two other committees. I could not attend the culture committee, even though I had the intention of attending one of the sessions. But that day, the culture committee had concluded its activities.

From what I actually saw, and the impression I have of what occurred in Committee No 1, the same should have also occurred in the other committees. I don't have any reason to think that the most capable comrades, the brightest, were all on Committee No 1. I believe, from some of the comrades that I know, that the delegations made a good distribution and that it is possible that in the women's participation committee, the multiplicity of the women's struggle committee, or the committee called the integration of women in reality of our continent, there were many and very valuable comrades that I actually did not have the privilege of hearing. But when the final solutions were read here, the quality of the effort can be appreciated.

This meeting was also characterized by the opportunity of each and every delegate present to express their views. They could report on the reality and experiences of countries. There was no pressure in any of the committees or in the elaboration of the final documents. On the contrary, an attempt was made to preserve the quality of the debates in the preparation of the final report so that nothing would be sacrificed in the basic idea, the content, and the value of the pronouncements; also to gather diverse opinions or different opinions because, above all this, the interest of unity prevailed in this meeting.

There was, above all, interest and respect for each delegate's opinion. It was noted with special interest that this meeting signified a positive contribution to the women's struggle in Latin America and in the Caribbean. In addition, the meeting acknowledged that not everyone had the same freedom to form opinions.

I know of many cases from comrades with whom I have spoken. I was able to learn how they think on some of these issues. But at the same time, because they were representing organizations or political parties and, in some cases, because they occupied important responsibilities in their country, they were obliged to be careful and to respect, as sometimes is imperative, their political party's or organization's points of view on certain issues.

We cannot lose sight of the fact that we are in a stage of training and developing consciousness on very important questions. It seems to me that that was the fundamental task of this meeting, whose results we will not measure except by the documents, even though the documents are excellent.

We were very concerned that no one who paticipated in this meeting would have to confront any kind of difficulties as a consequence of their activities here. It was an exceptional opportunity for approximately 300 outstanding and capable Latin American women here to hear reports, for example, from the Salvadoran comrades, who explained, often dramatically, but always with great serenity and grand dignity, the tragedy that their people and their women suffer. It was an exceptional opportunity to listen to the Nicaraguan comrades report on the difficult conditions in which their liberating process unfolds under pressure, the economic embargo, and the dirty war imposed by the U.S. Government. It was an opportunity to listen to the Guatemalan comrades tell of the 100,000 lives lost and of at least 100,000 orphans, children without parents, as a result of that same interventionist policy of dirty war.

When, in 1954, there arose or existed in Guatemala a period of peace, a hope, a government capable of applying or decreeing a law of agrarian reform, it gave way to U.S. intervention, also in the form of a dirty war, utilizing, to be precise, the CIA, organizing mercenary armies, specifically, in Honduras, to liquidate the revolutionary government of [Jacobo] Arbenz and always with the same pretext -- that it was a communist or pro-communist government. Everyone knows that Arbenz was an Army officer who rose from the Guatemalan Army ranks, a Guatemalan, a man of ideas, a progressive, but not a commmunist. And how has that intervention left the Guatemalan people? 100,000 dead, 100,000 orphans, the highest rate of disappearances in this hemisphere, even including those disappearances in Argentina, which is to say are many.

We have, at least, advanced somewhat despite these experiences. In Cuba, they wanted to do the same as in Guatemala. They wanted to organize a mercenary army to attack and invade the country, and overthrow the revolutionary regime, following their old rules, their old calculations. But on that occasion, the mercenaries did not last even 72 hours. [applause]

We are here firm, strong, more than 26 years later, despite the economic embargo, the threats, the attempts at subversion, the assassination attempts on the revolutionary leaders, acts known throughout the world because it was the U.S. Senate itself which investigated and confirmed some of those assassination plans. Our revolution and our people are here, firm and solid, without any fear of the immense power of the empire. We are aware of our strength and conscious of our ability to struggle, to defend, and to resist victoriously at any price an imperialist attack against our homeland. [applause] The U.S. Government knows that.

Things have also been different in Nicaragua. They may have thought that with 1,000, 2,000, 5,000 mercenaries with bases in Honduras, helped, organized, trained, supplied, and directed by the CIA and the Pentagon, they would be able to overthrow the revolutionary Government of Nicaragua in a few months. And they have used 5,000, 10,000, and even more than 10,000 mercenaries, and in nearly 6 years they have been unable to overthrow the revolutionary Nicaraguan Government! [applause]

The Nicaraguan people know very well, as our people knew, what the price of a victorious counterrevolution would be, how many would be killed, how many would disappear, how many crimes would be committed, how many persons would be tortured. If there were 100,000 in Guatemala after the overthrow of the revolutionary government, what would have been the cost in Cuba of a victorious counterrevolution in 1961? What would be the cost of a victorious counterrevolution in Nicaragua at the present time? The people know what the cost would be.

Another example is that of the Salvadoran people, where the torrent of military resources and money, of instructors and sophisticated technology to combat the revolutionary movement have been unable to crush, and will not be able to crush the heroic resistance of the Salvadoran people. [applause]

We have also had the chance to hear the stimulating worlds of our Puerto Rican sisters. The Puerto Rican people have resisted 87 years of Yankee colonization without losing their identity, their nationality, and their culture. [applause] Which, in the circumstances of a small country with an area of 9,000 square km that is in the hands of the largest and richest imperialist power in all history that has done all it could to crush the Puerto Rican national spirit, is, in fact, a great and extraordinary historic feat. [applause]

The invasion of Grenada has been mentioned here: the most recent imperialist misdeed in the Caribbean.

The frightful conditions in which the Haitian people live have been mentioned, where a regime closely associated with the United States reigns and governs.

What is happening in Chile and Paraguay has been mentioned here. The women representing those countries in this meeting had an opportunity to report on the abuses and the atrocities that have been committed. They told us of how the women had been victims of special forms of torture, from rape to threats against their loved ones and even the torturing of children! And these were not threats. We know of cases in Chile itself in which to make mothers talk and give real or imagined information, they took the child and threatened to throw him from a 6th, 7th, or 10th story window.

During these years, we have heard horrible things such as those that happened in Argentina, where there were cases of children being tortured in the presence of their mothers, and where it is known that even grandmothers were denied the children of their murdered sons and daughters. And there are still many who cannot be located. They not only made fathers disappear -- and sometimes not just the father but the mother too -- but they also made the children disappear. And it has been said here that to make human beings disappear is one of the most brutal and cruel practices ever conceived. I ask: Who taught those governments those practices? Who taught the torturers in Argentina, in Chile, in Paraguay, in Brazil, in Nicaragua, in Haiti, in Guatemala, in El Salvador? Who taught them if it was not the United States? Who trained the security personnel?

Who taught them those scientific techniques and how to wrench information? Who has been the ally of all those governments without exception? That is how we see the presence of the empire in all parts -- it's bloody hand everywhere, in each conquered country where the people still live under regimes of atrocity, repression, or in those where, fortunately, in previous years, the people were able to liberate themselves from oppression and begin a more democratic movement.

All those problems, their realities, their incidence among the people, their incidence among women have been appreciated, seen, heard, and almost touched in this meeting. All those factors have been helping to form a consciousness. But it is not just our suffering that is helping to form that conscious.

We said in one of the committees that we have lost 175 years since the Latin American people's movement began in 1819 -- but that movement was not ours. We were left back here, forgotten, converted into a sugarcane plantation, a coffee plantation, with approximately 300,000 slaves. We were the last country to liberate ourselves, that is to say, from that class of Cubans who were dominant in our country, which were the owners of the sugarcane plantations. While the Spanish ruled trade and public administration, they did not even want to hear of independence. They feared the recurrence of what happened in Haiti, where the slaves broke their chains.

We didn't even have the privilege of emerging, like supposedly independent nations more than 175 years ago. We achieved our formal independence only 83 years ago. Our real independence has now been more than 26 years [interrupted by applause] with the triumph of the revolution on 1 January 1959. But we said we had lost 175 years. What else can be said on hearing what we hear in every committee on the economic and social tragedy of our peoples, over the total degree of dependence? What else can be said on hearing figures like the ones mentioned in the final appeal

Of the 1.5 billion hungry people, 50 million are spoken of there. How many people had this misery in 1810? It exceeded 50 million. I remember perfectly that at the end of the last century, we, who are now 10 million, were barely 1 million Cubans struggling against hundreds of thousands Spanish soldiers. How many people are hungry? 50 million. But I question that figure, with all respect, because of the document's authors, even though I don't criticize them. It is better to be conservative in the figure. But I am sure that it is much more than 50 million who are hungry in Latin America. [applause]

There is talk of 1 million children that die every year. Not long ago there was a pediatric congress in Havana, where more than 1,000 Latin American pediatricians attended and reported on what was happening. The director of UNICEF, the national organization that deals with the problem of children's health, told me that 1 million children died under the age of 1 -- under the age of 1. That is not counting the children who die from the ages of 1 to 5 or 5 to 16. It's much more than 1 million.

There's talk about 46 million illiterates and the figure is startling, but I doubt that this applies in Latin America because there are only 46 million illiterates. It is necessary to talk about children who do not attend school. We were hearing about this in a Latin American capital, in one of the reports, the nuns' report and slides -- I call the two of them nums [laughter] -- the Colombian comrades. One told me she was secular and the other is ordained, and they told me in jest that I had ordained her because I called her "little sister." She explained, when she spoke about half a million children on the streets, without schools or meals.

And that is not the figure, it is just an approximation. I know it was very high. I will have to check the date. We would have to know how many children in Latin America do not attend school. Not just how many are illiterate but how the number of the millions of illiterates tends to multiply and increase because of the lack of schools and teachers.

It is said there are 52 million unemployed. This is a great, a very great number. But it is possible that the number of unemployed and underemployed is much greater in Latin America. How can we not ask ourselves what we have done in these 175 years?

I also said in a commission that if we had to appear before the founders of the Latin American states, if we had to appear before Bolivar, Juarez, Morelos, Hidalgo, Sucre, Santander, O'Higgins, San Martin, and let us not forget liberators of Haiti, if we had to appear before them and they asked us what we have done in these 175 years, and we had to give them the figures that have been mentioned here today -- these conservative figures -- wouldn't we feel really ashamed? Wouldn't we feel really reproached when they asked us: What have you done in these nearly 2 centuries, peoples, states, and governments of Latin America? What would we tell those who dreamed of unifying our peoples so we could be a real force and take our place in this world? What answer could we give them? I believe a meeting such as this conference is an attempt to begin to leave behind the era of shame in which we have lived and the nearly 2 centuries we have wasted.

I asked at another meeting whether we were destined always to be oppressed, miserable, hungry, to lack medicines, have no jobs, not know how to read or write, to be eternally poor. And I said it would be necessary to argue this with the theologians of the liberation who do not agree when they speak of liberation, when they speak of a different life for our peoples.

I do not believe destiny condemns us to be eternally oppressed, eternally poor, eternally weak, and I am speaking of nearly 200 years. But to these nearly 200 years almost another 300 years must be added. Because we must not forget that the Europeans got here by killing with the sword and the cross, blessing the conquest, blessing the extermination. What happened to those 200,000 peaceful Siboney and Carib natives that lived in Cuba? They virtually exterminated them in the mines, at hard labor to which they were not accustomed, with their diseases of all kinds that they brought to a people to which a virus caused death because that people had no defense mechanisms.

What did they do in Mexico, in Peru, and in general in Latin America? In some places there were so many natives they could not exterminate them, or they were more resistant or better developed culturally. They mingled, that is what they did. There is a tale of a Spaniard who had 300 children by Indian women -- he was one of the first conquistadors -- and we almost have to be grateful because they mingled. [laughter] They mingled, they gave us a little black blood to make up our peoples. Because the others, those from the brutal north, did not mix. They exterminated the Indians. [applause]

For the past 5 centuries -- 5 centuries! -- 3 of which we spent supplying gold, silver, copper, and precious metals of all kinds to the European treasuries, we Latin Americans, with the blood of Indians and the blood and sweat of black slaves, have financed the capitalist development of Europe. Where did the gold come from? Where did the silver come from? Where did the finances developed in Europe came from? They came from the blood and sweat of our Indians, our blacks, our mestizos, and our peoples. [applause]

Now, for 2 more centuries, almost 2 more centuries, we have continued to finance them. In 1983, we financed them. In 1984, we financed them. In the year 1985, we are still financing them. But with how much are we financing them? We are financing them with more than $60 billion. With almost (?$) 40 (?billion) in interest payments and profits, (?$) 10 (?billion) in capital flight, between (?$) 4 and 6 (?billion) in overvaluation of the dollar, more than (?$) 20 billion for the low prices [as heard] they are charging us for their equipment and other things. [applause]

Because if you consider an aspirin, we all know that an aspirin is worth a fraction of a cent, a fraction of a cent and the transnational corporations sell them to use sometimes for up to 10 cents. This has to do with how much they are charging for an aspirin, an aspirin for a headache, which costs a fraction of a cent. How can they sell them wholesale, and we, who produce aspirins here for our headaches, know how to make an aspirin, what its ingredients are, and how much it costs. They sell them to us because they want us to be healthy. [laughter] I am making some calculations about how much medication would cost at current prices, how much the country invests in medication. It would be, and I am being conservative here, as you were in the report [laughter], between $400 million and $500 million. That is very conservative.

Note that we... [rephrases] The price of our medication in Cuba is half of what it was 26 years ago, when the revolution triumphed. If we have reduced the price of medications by half and we spend tens of millions of pesos to produce medications, with which today we have a country that is in first place among all the countries of the Third World in health indices, and it is ahead of many developed countries, [applause] you can see that they are robbing us.

Of course, we can produce aspirins, but we cannot produce bulldozers, or front-loaders, or sophisticated medical equipment, or lathes, or tool equipment, or industrial equipment. With this equipment they deal with us as they do with aspirin. They produce aspirin, and we pay for advertising. You would not believe that when there is an advertisement in a magazine or on television for any tranquilizer or aspirin in the different forms that they appear, because sometimes they give it a slightly different color and another name, they give it a different shape, and they give it another name, and they continue to charge for it, and to advertise it... [sentence incomplete] When we buy aspirin, we pay for the raw material, we pay for the advertising, it is we, not the transnational corporations who pay for it. How big is the advertising business in the industrialized countries? It is worth hundreds of billions, and we pay for it, partly, others in the same country pay for it too. We pay for the earnings, we pay for social security, we pay for unemployment insurance, we pay the taxes, we pay for the arms race, we pay for everything! We pay our part of all of this.

Who pays us? Who pays for the advertising for our coffee, or our cacao, or our sugar, or our meat, or our textiles, or our minerals? We pay technicians there and highly qualified workers with salaries of $1,000, $1,200, or $1,500, besides all that. But who pays here? Who pays our social security? Who pays for our unemployment insurance?

There, they live in different material conditions, houses. Where do our workers here live? The ones who produce everything we export? In the country. Where do they live? In the city. What guarantees do they have? What security do they have? What salaries do they have?

We exchange cacao, coffee, or sugar for medical equipment, X-ray machines, or something more sophisticated. It could be any surgical equipment, an operating table, or some of the general medical equipment or one of those lamps or anything that must be bought for a hospital. What salary do they earn? Those workers who produce cacao, coffee, minerals? $60, sometimes less, $70 or $80. We have seen how much the minimum salaries are in many of these countries.

What is the cost of what they sell us? There is that ominous law operating year after year. It can be seen when one looks at a series of years. Over 40 years, or 30 years or 20 years. They always pay us cheaper prices and they always charge us higher prices. Therefore, they are getting richer and richer, and we are getting poorer and poorer.

Who? What divine hand wrote that law? Do they perhaps have the same goals they had when they conquered this hemisphere and think they are sacred? This is not what the nuns and Christian women think who have been accompanying us in this meeting. They do not believe we are condemned by the Divinity or by nature or whatever for this to go on eternally. I believe the steps we are taking will keep this situation from being eternal.

It has been correctly said that the present economic crisis is the worst in history. The products our countries export have never been worth so little. Never! Meat has never been worth less, or coffee or cocoa, or wheat or any exported grains. They produce wheat, they subsidize it, and export it to compete with the wheat and corn Argentina and Brazil produce, or soybean or any other grain. Or sugar produced by many Latin American and Caribbean countries. How much does this cost them? How much do they subsidize sugar? They subsidize it by 15 or 20 cents per pound. And then they export it and depress the prices of the products of our countries.

Our products have never had less earning power. There is talk of the crisis of the 1930's. Our people lived through that crisis. Our population was much smaller. They remember it as the era of Machado, or great famine in Cuba. Sugar cost 1 cent. But with 1 cent for a pound of sugar, sugar had much greater earning power than it has now at 3 cents. Today's 3 cents are less than one-half of the 1930's. One must not be misled by numbers. If we paid attention to numbers, almost all Latin Americans would be millionaires. And in fact we are millionaires. They made me a millionaire not too many days ago. They gave me a 1 million peso Argentine bank note. And it was worth 73 cents, if I changed it that day. [laughter] If I changed it that day. [applause] I almost had a liking for that business. [laughter] I liked being a millionaire, and when Fanny came -- who is here now: an Argentine lady who is very courageous -- I asked her if she could give me something and she gave me a 1,000-peso note. They had taken 3 zeros off because the system is to take off 3 zeros to be able to figure. I was happy. It was worth approximately $2.5. It was worth that about 2 months ago. It is probably worth about $1.5 now. But we cannot trust numbers because they make us millionaires. We are millionaires according to the numbers but the value of money is relative. That is why I said that 3 cents today is less than one-half cent of the 1930's.

This crisis is much worse than that of the 1930's. Our population is four times greater than in the 1930's. The population is more aware, there are more means of communication, they see more television or radio or read more magazines and have some idea of what is happening in the world. They are not so isolated as in the 1930's.

And on top of it all, we have a debt of $360 billion and the highest interest rates of all time. Almost the entire debt is in dollars, and the dollar is more expensive in comparison with other foreign currencies than it has ever been. [It has been] artificially inflated to effect colossal rearmament without taxes. This is one of Mr Reagan's miracles: to strengthen the economy, reduce unemployment, and rearm with no new taxes. How prodigious! We will have to canonize this personage because no further proof of miracles is needed. [laughter]

How did he achieve it? By gathering money from the rest of the world.

This wasn't done by printing bills like they did during the Vietnam war, but by collecting money, and this is the reason for the false interest. High interest is being paid and all the Latin American money is going to the United States.

This first peso, such as the one I received... [rephrases] If you get 1 million pesos exchange it right away for the 73 cents and deposit it in a U.S. bank. I didn't exchange mine because I decided to keep it as a memento. It was the bill that made me a millionaire, for the first time in my life. So, exchange it right away or otherwise, it will be worth 72 cents the next day. You have it earn interest and that begins to multiply itself to a million pesos. It earns interest deposited in a U.S. bank. Through dirty, unfair, and slick mechanisms, the U.S. Government has collected the money from the rest of the world. It collected the money of Latin Americans, Africans, Spaniards, Japanese, Frenchmen, Britons, and everyone. However, that miracle cannot (?interest us). The gentleman is building a sandcastle. One day it will crumble completely because it has no solid base.

The United States is the largest debtor. It owes approximately $600 billion, according to estimates made by the comrades of the Economics Institute. It has a public debt that amounts to $1.65 trillion. In 3 years, the U.S. public debt has increased by $650 billion. The U.S. trade deficit was $120 billion last year, and it is possible that this figure will rise to $140 billion this year. The budget deficit is approximately $200 billion. They are buying the world. No, not the world, they are buying things. They are spending on things that do not produce. No economy can support itself under those conditions.

In addition, the United States has the largest military expenditures known to history. They are already spending approximately $300 billion per year. Where are they getting these dollars if there are no taxes for them? We are paying for the U.S. rearmament with that dollar we have to pay more for. With that interest, which is much higher than the normal and traditional loan interest.

We are paying for this U.S. rearmament by selling our minerals cheap in order to buy increasingly expensive trinkets. We are like the Indians. The Indians didn't know what gold was or the value of gold. They traded a fistful of gold for a mirror. They were the first Indians that were said to be found here. Nonsense, this is how we are being treated. This is how they impose poverty on us. This is how we are forced to pay for their opulence and their madness of spending billions amid destruction.

As we recently said, the billions and the millions of millions that they are going to spend in 8 years, that this gentleman who is the U.S. President is going to spend, millions of millions do less for man's well-being than an aspirin that cost a few cents. This is what it is all about. Now, they want to collect the debt during a crisis that is worse than that of the 1930's. Where are they going to get $360 billion, and how?

When it is said that it is an economic impossibility, it means that it is economically impossible. When it is said that it is a political impossibility, it means that people must be murdered to force them to put up with the sacrifices required to pay the debt. When it is said that it is a moral impossibility, it means that it is highway robbery because we have been sacked for 5 centuries and what must be done is, well, I had said cancel, but then I am worried because in Ecuador, the Ecuadoran comrades told me, to cancel means to pay off. So, I said, no, no, no, don't cancel the debt that way. [laughter] I meant write off the debt. I meant forget the debt. Well, if they want to, they can remember the debt. [laughter] But we can forget about it. I understand this very well. Some say: Why that formula? Isn't it too radical? No, it is not radical. It is a realistic formula because all we have to do is to cancel it, forget it, or write it off. Whichever word you prefer or we could declare a moratorium, as it has been said. According to the figures, it is impossible and whatever formula you apply to it make it more impossible.

They make all the computations for refinancing. They even lend the money to pay the interest. Then, the debts pile up. The interest rates are higher and higher. Well, if the creditors like the formula of lending more money to debtors to pay interest back to them every year and if they promise to do the same thing every year, well, no problem. Let them continue to lend money. Let them waste paper keeping track of how this debt is increasing. No problem. The experts are those who devise magical formulas, but as soon as they are submitted to the demolishing reality for the numbers, it is shown that the debt is unpayable. It has reached such magnitude that we are not talking about 3 and 1/2 cents or the million pesos that were given to me. We are talking about $360 overvalued billion with excess interest rates that are owed amid the most ferocious protectionist policy that has ever existed.

The Argentines are killing themselves to produce more meat. The Uruguayans, the Brazilians, the Colombians, the Panamanians, or the Costa Ricans are also killing themselves to produce more meat. But no problem, their meat will be worth less every time if they find a market for it. Europe, the Europe we financed with the sweat and blood of the Indians, the slaves, and the mestizos, pays the producer $2,500 per ton of meat. It is subsidized and sold in the market for $800. Then, when the Uruguayans, the Argentines, and the other Latin American meat exporters begin to sell their meat, if they get $1,200 or $1,250 for their meat it is a miracle. The same is done with sugar and other subsidized products.

Now, the United States has announced a policy of large subsidies for grain exports -- for corn, wheat, and soybean. A few days ago, it adopted protectionist measures eliminating [as heard] general customs duties for Latin American exports by more than $5 billion. A new theory appeared at the U.S. Senate and the House: It is said that natural resources are a subsidy. In other words, if a country has petroleum and it sells to industrialists of that country at prices under the international market price, this is a subsidy. If a country has cheap electricity because it has hydraulic energy and produces aluminum or any other metal, the use of that cheaper electricity is a subsidy. Thus, customs tariffs are placed on them. Then, what is left to live on? In addition, there are more measures every day.

The problem is not only protectionism but the dumping [preceding word in English]. The EEC has 600,000 tons of frozen meat right now. They subsidize it and sell it at $800. What do Latin American meat exporters have to live on? I have only cited a few examples. To this, we must add that they are producing synthetic materials. They have synthetic materials and fibers that are substituting cotton and other products of the Third World. Now, they are trying to substitute the optic fiber for copper. What will Chilean, Peruvian, and other peoples who produce this metal for export do? I recently read that they are producing I don't know how many kinds of synthetic sugars or synthetic sweeteners. Perhaps this is an effort to stay slim, live sophisticatedly, and eat other food without sugar.

We have not mentioned this before, but every time an industrialized country comes up with a synthetic product there should be international rules that apply to it, establishing the conditions and period in which it can be produced because they cannot ruin a Third World country that lives off that product overnight. They cannot begin producing a product that will starve millions.

There is a new measure every day. A protectionist wave is overwhelming the industrialized capitalist world.

The Latin American countries meet and plea for mercy. They ask to be taken into consideration because they are dying of hunger. It is sad. Amid this situation, only a small group, the so-called Cartagena Group is writing moderate, cautious, elegant, and refined letters saying: Please, sir, there is a need for a political dialogue to solve these problems and discuss the debt issue. Please, sir, give us some opportunities, expand the basic funds of the IMF, increase the special drawing rights, establish a fund to cover the excess interest and help us.

Recently, the IMF held its spring meeting in Washington. The Cartagena Group wrote its letter, made its proposal, pleaded, and begged, but it was left waiting. The IMF got rid of its matter in 10 or 15 minutes. It was told no, and that's it. That is nonsense, forget it, work hard, export, be austere, and save so you can pay the debt and develop, too. It is incredible. At least I had the pleasure of sending them the pamphlet. I sent the IMF meeting the pamphlet so that they would have an idea of the world [words indistinct] so I sent the pamphlet. [laughter, applause]

It is true, under these circumstances there is always one hope. Hope is what multiplies the most in the world. At the Bonn summit the big, the powerful, and the owners of the world's economy meet to discuss various problems, star wars among other things, so many problems, the arms race...[rephrases] well, they have disputes. How can they remember our problems if they have been unable to solve their own? In addition, except for the United States, which with all its conjuring and witchcraft was able to achieve three things -- reduce unemployment, improve the economy, and rearm without taxes -- the others are way down there. [Words indistinct] How many people are unemployed in the United Kingdom? There are 3 million; of course, they have a small subsidy and other things. They aren't as bad as our unemployed or that bill that was given to me. [laughter] [words indistinct] France has 3 million unemployed. The FRG has 2 and 1/2 million and Spain has 3 million. Unemployment is what grows there. It is madness. They don't realize that so much unemployment is due to the fact that their industries are underused because they don't have anyone to sell to and because those who could be their clients don't have any money to buy. Why? Because the industrialized countries are paying too little for their products and are collecting a debt plus interest and so forth and so on.

They don't even realize that the solution to this Third World countries' debt would mark the beginning of the recovery of their own economies. However, it would not only be because of the debt. Other important things in addition to writing off the debt or forgetting the debt would be needed.

We are not saying that those who deposited their savings -- the U.S. doctor, the other guy, or the guy with a small business -- should lose their deposits. We don't want taxpayers of the United States or the United Kingdom or any other country to pay more taxes. What we want is to stop the crazy arms race. This problem should be solved without taking a single penny from anyone, but at the expense of so many battleships, aircraft carriers, planes, missiles, fantasies, madness, star wars, and interplanetary wars. This is what we are proposing.

However, putting illusions and hopes aside, the Cartagena Group said this is the chance. They meet in Bonn. Those people will listen to us for sure. Let's write another little letter to them. Well, they wrote another letter. I read it. It was a more serious letter. They assigned Uruguay, President Sanguinetti, to write their letter. It was a dignified, restrained, and serious letter. He did not use the usual plaintive language for this type of communication. He told things as they were, explained the existing problems, and noted the need to find solutions. The letter was sent to Bonn in early May. Approximately one month went by, and they finally answered. They answered the letter that the Uruguayan president sent on behalf of the Cartagena Group.

There were all kinds of things. I am not going to expand here on anecdotes we all know about, but they didn't know what to do with that hot potato. They tossed it back and forth and played ball with it. [laughter]

Then, [Fidel laughs] they sat down to write. No, one sat down to write. He probably picked up the telephone and said look, we are returning this little project. Then, they said: No way, forget it, gentlemen. Work hard, be austere, save, eliminate your deficits. [pounds on the podium], and solve the problem. [applause and laughter] It is incredible. It is like a circus or a theater. They said: See what you can do. What can we do? Do you think they are going to sit down and talk with us? They despise us too much. They despise the Latin American countries and governments too much to truly sit down and talk with us. [pounds on the podium] They will not sit down to talk with us until we show them the dignity and firmness we need to begin to solve this problem. [long ovation]

This is in essence what we are proposing, or are we going to continue writing little notes? A girl who didn't want anything to do with her boyfriend [laughter] paid more attention to letters from him than the Bonn group paid to the letter from the Cartagena Group, sure. This is the most incredible scorn. There is no way to get to the hearts of the Bonn magnates, the owners of the world's money. Are we going to continue to write letters pleading to them? What do workers of a union do when they keep bothering the management and the management doesn't pay any attention to them? What do they do when they get tired of pleading and saying: Look boss, listen to me, my kids are going barefoot and hungry. I don't have money for medicine. My salary is not enough. Water is coming through the roof. What do workers do then? They go on strike. Thus, what we propose, in essence, so that it be clear, is a general strike of debtors. [applause, long ovation]

You don't have to spend much energy on that. You spend more energy stretching out your hand to beg and you are not getting any attention. You can imagine what it is like to have your hand out like that for 10 or 20 years. It is true. [laughter] It has been more than 20 years. You get tired and exhausted. So, I propose that we put our hands in our pockets. [laughter] What do we do now? If we take the hands out of our pockets, the movement is no longer this. [gestures] Now, you are using more energy. Now, put your hand in the pocket, pull it out, put it in, and pull it out. [more laughter] This is the movement we are making. It gets exhausting. It may develop the muscle but stops the heart. It can produce a heart attack. Therefore, we simply propose to keep your hands in the pockets. If we get tired, pull them out and keep them at your sides. Do not give anything. This is what it is all about. If we don't do it, they will not talk with us. [pounds on the podium]

We are not saying that we are going to do things unilaterally. We are going to demand that they talk with us because there is much to discuss. Are we only going to talk about the debt? No, we have to talk about the debt and other things, or we will remain on strike. We will talk about the debt and the new world economic order, and by new world economic order we mean that which was approved by the United Nations 10 years ago. It was approved by most countries. The letter on the economic rights and duties of nations was approved 10 years ago. Now, the six or seven rich countries don't even want to hear about this. They want to continue this way, which is also crazy because it hurts their economies. They want to continue spending money on weapons.

They want to continue to have the power to pulverize the world and turn the earth into a wasteland inhabited only by cockroaches, which are said to be most able to resist nuclear radiation. [laughter]

So, if we declare a strike, wouldn't we be contributing to peace in the world? Wouldn't we be issuing a message saying: Gentlemen, stop this madness? We would be saying that we are no longer willing to pay for the weapons that they will use to annihilate us and that will sweep all of us and you, which we wouldn't deplore so much, from the face of the earth. We would deplore it for us, but not these crazy individuals who better opt for individual suicide and not collective suicide. They have no right to decide the lives of 5 billion people. This is what they are doing and we just watch. We are doing the same exercise, watching only.

Well, our strength lies in our weakness because I believe that the right conditions are present for us to make a firm decision. I give you an example: Why don't we all unite? We must all unite on this. Look carefully, this is a struggle for the survival of countries and their development. We are in the same boat. Muslims, Christians, Catholics, Adventists, Hindus, Marxists, Socialists, supersocialists, and extremists of the right and left are in the same boat. If the boat sinks no one is going to be asking that. The boat has a lifejacket. A boat,to reach shore, to swim at least to shore, in an orderly fashion. [sentence as heard] If we are in a desert, are dying of thirst, and only have 15 minutes to live, we need fresh water, much of it, abundant water. It doesn't matter there. Get me water. We all want water. This is the situation we are in. The Third World countries are all in this situation, but we are talking about Latin America simply because, of all Third World regions, it has the most political weight, the most development, and the greatest possibilities for being the leader of this battle. It will be the battle of the Third World. This, which you are presenting, these problems, and the struggle you proposed were on behalf of Africa and Asia. I assure you that Latin America won't be alone in this struggle.

Thus, it is a matter of survival for everyone. What a country does inside affects each country. Regarding this, we state what we feel is correct. We are not proposing what should be done in a country. I imagine that each country knows what to do to deal with its situation. Each should know what to do so that money won't be wasted. In fact, we are not saying: We will spend this [foreign debt] money. We say: Let's invest it in development. They would ask: Where do they get the money for development? We must tell them that what we have been paying you will be saved, and because we won't have to pay interest on it, we will have money to invest in development.

A country like Brazil could invest $120 billion in 10 years. Mexico could invest another $120 billion. Argentina could invest $50 or $60 billion. There are many countries that can finance their development with the money they are paying, but they must use the money correctly.

I also believe that the people would support such a policy. The people would support a suspension of payment. They would support a development program with those resources because we know that the needs (?affecting us) cannot be solved overnight. If we don't pay anything we only solve a part of the problem. The solution to these problems can only come through development. This is clear. We are not proposing an economic populism [populismo economico]. We know that the problems we have are terrible, but we also know that the problems can be systematically solved through development. Then, austerity and sacrifice would be applied but not to give the money to these gentlemen, the creditors, the plunderers, and the debtors, because they are the debtors, not us. Our consciences must be clear. At least mine is clearer now than ever before in my life because the more I think about all of this, the more I come to the conclusion that they are the debtors and we are the creditors.

If we did this, we would only be putting an end to this system that is 5 centuries old, and we would be laying the groundwork for the future, a new future of which we would someday be proud.

However, we are sure they won't do this; they won't pay us any mind. They are going to let us starve to death. They are going to let all those children die, [words indistinct] and continue dying. A larger number is dying each day.

Then, 20 years from now, they will meet again somewhere to say that 2 and 1/2 million are dying. This will be a conservative estimate, just like the following estimate: Today the number of unemployed no longer stands at 52 million, it is now 100 million.

We can see what lies in the future, talking.... [rephrases] This is true of Catholics, Christians, or Marxists, Socialists, or Communists to realize that it is a crime to spend money on 1 million automobiles, and on gasoline, fuel, and raw materials [as heard] to go for rides on Sundays and to lead a frivolous life when a child is dying of hunger, or when a child is dying from an illness due to lack of medicine, or when a child has died from the lack of a vaccine that costs 20 cents! One does not have to be Communist or Socialist; one merely has to be a Christian. Basic ethical value is all that is needed to say: This is not just. This goes against the most basic principles of morality; it goes against the most elementary ethical values. A Christian could say: It goes against the most elementary principles of Christianity.

Therefore, we understand this, and that is why it wasn't difficult for us to come to understand each other as well as we have at this meeting. I am sure that the workers of different faiths and of different political ideologies who are going to meet here in mid-July are going to understand each other just as well. I am sure of this. It is clear; it is basic; it is a matter of survival.

We can repeat here what we have said on other occasions: Ideas do not cause crises. Anyone who believes that he can create a crisis with an idea is out of his mind. Crises give birth to ideas. [applause] It is this crisis that is fostering ideas, heightening awareness, bringing about unity, and producing plans of struggle for all of us who are now more aware of the problem.

We are not going to waste our time only writing little letters. We won't. I believe you should send all of this material to all of them: to the World Bank, to the IMF, to all these governments. We must send them all of this material from the women's meeting, to build up their awareness, too. [applause] We must direct our efforts toward creating and shaping awareness.

[Passage indistinct] Nothing can be solved by a small group of what they have discussed.

[Words indistinct] If we believe we are going to solve our problems at little gatherings, at meetings, at the [word indistinct] meetings that we hold: formal, forthright meetings to say the things that have to be said. A war is being proposed. Let us sit down and talk and solve this problem. So they don't want to? We are going to resolve this one way or another. We have to tell them this, and that we are not afraid of them. Why should we be afraid of them? Then let us see what they are going to do.

Just 40 years ago they had divided up the world. The entire world belonged to them. Now there are more than 100 independent nations. Some of these countries owned an amount of territory that was 10 times larger than their own national territory. They suffered from the mania of their times -- they had the craze of owning colonies. And what happened? The world has changed a lot, now there are more than 100 Third World, developing, underdeveloped countries. That's what I like to call them, in a clear, blunt manner, to establish the difference between them and the wealthy nations.

What can an embargo accomplish? We Cubans were embargoed. We have been embargoed, blockaded, for 26 years. And, truthfully, we have never been better off. [applause] Embargo? Blockade? They can't block off the Third World, because they would be blocking off themselves. It would be a self-imposed blockade. They would deprive themselves of coffee, cacao, raw materials, and fuel. They would cut themselves off from all of this; they would impose a blockade on themselves; they would commit hara-kiri. Simply said, they cannot impose a blockade on the Third World.

How should this be implemented? The ideal thing would be to reach a general agreement. This is a situation common to everyone. Will there be a consensus? Perhaps, but among the Latin American countries. Perhaps it will come too late; possibly some countries will not have time to wait for a consensus. It is possible that this could occur because three or four countries, in desperation, may say: We are on strike. If an entire labor union cannot meet and agree on a united and coordinated action, some will declare themselves on strike, but of course, quietly.

They are supposed to pay interest, but they are not paying anything. Three, four, five months pass and they say nothing. The other side does not say anything either because they don't want to draw attention.

As soon as one says: Listen, I am not paying because the situation does not allow me to, or because this is unjust and I have decided to take this action, then [words indistinct]. This would be proclaimed by a desperate country.

The principle of solidarity is very important. What must be done is to create suitable conditions so that if a country, or a group of small countries, cannot wait until there is consensus and desperately voices a challenge, then, if an attempt is made to adopt economic measures against it, there should be solidarity among the entire Third World. I have no doubt that there will be this kind of solidarity. And there will be industrialized countries that will not join in such measures. But I am sure that the socialist countries will be in solidarity. I am sure that out of every 100 nations in the United Nations, more than 90 will support that group of countries.

I know what the former colonial powers will do because I know how astute, how foxy, they are. I know that they are not going to adopt any initial measures. They are going to sit down quickly to negotiate, to quench the fire because if they were to adopt measures against a group of countries facing this situation, a banner would go up since this is a problem that all Third World countries have. It would be like putting out a fire with gasoline. They would in effect be strengthening solidarity. The Malvinas case, which you mention in your resolutions, is not too long ago to remember. On that occasion, a NATO country and a Latin American country engaged in a war, and in spite of the fact that the Latin American country had a horrible government, all of Latin America, the nonaligned, and the Third World countries supported Argentina in its war against England. In spite of the Argentine Government, the Latin Americans, the countries of the Third World, did not hesitate to support the Argentine people. They forgot everything else and only remembered that in that war there were NATO soldiers killing Latin Americans and in that war no one had anything to gain. The Malvinas was a great lesson. It produced unity around the Argentine people.

The current problem is that life is being stolen from the Third World countries. This time there is much to be won or lost. Solidarity is perhaps the greatest thing ever to exist. I repeat: The ideal thing would be to have a consensus, to have a united world from the very beginning. However, the situation of some countries is so desperate that I doubt they will have the opportunity to wait for consensus. I believe that the success of the democratic opening process in countries such as Argentina, Uruguay, and Brazil depends on whether or not this problem can be solved.

Some of you may wonder what will happen if governments cannot make decisions and if the battle is not waged. I have no doubt as to what will happen. There will be generalized social explosions throughout the hemisphere and these explosions will probably be of a revolutionary nature. We have to say this to these gentlemen who fear revolutions so much, who are so allergic to them, especially Mr Reagan. Mr Reagan is super-allergic to social changes, to explosions, and to revolutions. We have to tell them: You don't want revolutions? You are going to get them by the dozens in the world if this situation continues. [applause]

Will they be able to correct themselves? One newsman once asked me: What would you prefer? I told him: I prefer a solution to the foreign debt problem, a new international economic order, and the creation of conditions for the development of these countries. I think this position is more constructive. I told him: There is going to be a chain reaction. We are reaching the critical point. Let's try to control this chain reaction like one would control a nuclear reactor and let's not have an explosion like that of Hiroshima. I have no doubt that these conditions cannot be supported. They lead, inevitably, to social explosions.

There is no other way to resolve or prevent this but the way that is being suggested. There are now 2, 3, 4, 10 revolutions around the world. However, I believe that at this moment it is more important for the Third World countries -- and I say this after analyzing calmly and objectively -- to find a solution to the problem of the debt and institute new international economic order, because this will create the conditions for development. Will is not enough to solve the problems. We need to improve and better distribute what we have; but in the final analysis, we do not have the resources to face the abysmal accumulation of problems.

I will use Cuba as an example. Here in Cuba it was not only the social change that made the work of the revolution possible. This work, as such, provided us an opportunity to educate all the children in this country; the opportunity to eradicate unemployment; the opportunity to provide the workers and every family with public health and social security; the opportunity to develop; and we have incurred many expenses which as you can imagine, are great. Well, this is our neighborhood and since we cannot move out, the only other alternative is to prepare to confront our powerful neighbor. Anyone can understand that. How has all this been possible? Because we have established a sort of new international economic order in our relations with the socialist countries. We are not selling our sugar at 3 cents. The nickel, citrus products, and the other products we export to the socialist countries have another price, a very superior price, and this represents income for us. How else would we be able to purchase the 11 million tons of fuel we use each year? It must be noted that we use almost as much fuel as Ecuador produces, and Ecuador is an oil-exporting country. We utilize this much simply because we have no other source of energy. We do not have big rivers. We are a long, narrow island. We do not have big waterfalls, rivers with strong currents. Our rivers are small and we use water basically for agriculture. Our forests had been destroyed. When the revolution triumphed we had to begin to plant thousands upon thousands of trees. We do not have coal. Today we are beginning to discover some oil and gas deposits and we are increasing our production.

Let me give you another example. We export 7.5 million tons of sugar a year. If we were to sell this sugar on the international market, assuming we had a market, our revenue would not cover 25 percent of Cuba's fuel needs. Cuba has not resolved its problems with its will for social justice and social changes alone. Cuba has been able to resolve its problems precisely because it has different economic relations that those which the Latin American countries, the Third World countries, have with the developed capitalist world. These relations have allowed us to have the resources to build factories, roads, dams, schools, hospitals, and houses.

You will not find a slum in Cuba, and that is saying a lot. I know of capital cities that have more than 6,000 slums, and millions live in those slums. We do not have a single slum.

The level of education of our people is high. Our workers attend up to ninth grade. Almost 100 percent of our children attend primary school. More than 90 percent of the children between the ages of 1 and 16 attend school. We practically have a teacher or professor per every 11 students in this country. We have 256,000 professors and teachers who have been trained by the revolution and who are studying at a higher level. In the future, a first grade in this country will not be taught by a teacher -- a person who studied through the ninth grade and then had 4 years of training as a teacher -- no, it will be a teacher who has studied through the ninth grade, the additional 4 years to become a teacher, plus 6 years at the university. This means that the quality will improve.

Yesterday you visited an institution which I was very pleased to learn that you had the opportunity to visit. You visited the family doctor institution. You were able to visit this institution with the Women's Federation. This plan was developed only recently and today we have more than 200 family doctors. Late this year 500 more will become family doctors, and as of 1986, 1987, we will add approximately 1,500 per year until we reach the number of 20,000 doctors. This will guarantee us that we will be able to protect the levels we have achieved in the area of public health, and also to surpass the levels of almost all, or all, the industrialized countries.

In the area of public health we are already competing with the United States and the United States is not Haiti. In the United States the infant mortality rate is 12 and in Cuba it is 15 -- only 3 points apart. Life expectancy in Cuba equals life expectancy in the United States. In other areas of health our rates are much higher. We compete with the United States, it is the one we compete with. I have a feeling that in the next 15 years it will be left behind us. Even if I have to quit smoking. [laughter] Right? [laughter]

With these revolutionary institutions, with the revolutionary innovations we are making in the area of medicine, the doctors we are preparing, the quality of the doctors, the development of the medical specialties -- clinical and surgical, and the brand new program of medical sciences, the way the students are selected -- selected for education and quality, gives us leverage and we will not only rate among the first, but we will also be able to help other countries with our experience and with our doctors. We already have approximately 1,500 doctors; we have more doctors working in the Third World than the WHO. More than twice the number of doctors. [applause]

What about the cost? If you were to analyze how much this would cost them, you would find that it would be in the millions. We must also spend money for this, but we have the people who can do these things and this is what is important. They can go to any location and work. They can go as recently graduated doctors or as specialists. What the man has in him is what counts. A revolution cannot be appreciated only by the buildings you see -- oh, this building looks nice and has good dimensions -- or by the big factories you see. A revolution is appreciated by what a man has within him. [applause] What a man has within him is the key to everything. This is what allows us to send all of those teachers and doctors.

When our Nicaraguan companeros asked for teachers to work in the most inaccessible and difficul. locations, 29,000 teachers offered their services. When two or three teachers were murdered, 100,000 offered their services. These teachers were all teaching. They not only offer their services but they go; they are there.

Of the teachers we had in Nicaragua, almost half of them were women. [applause] Most of them have a family and children, and they will go to Nicaragua in the same way they would go to Angola, South Yemen, and South Asia. Because of the borne values that our people, citizens, teachers, and doctors -- formed by the revolution -- have, we can do anything at a very low cost. (?No millionaire can pay for this) if he does not have a man that wants to go to these locations as a teacher or doctor.

I do not want to discuss everything the revolution has done; however, it hurts when one hears things such as those I have heard at this meeting. I am simply discussing this to transmit the idea that we did not have the resources to do all of this. We have managed our resources well and we are not wasting a single cent or dollar. In these past 26 years, you will not find a single minister, deputy minister, or leader who has stolen a cent. No one. [applause] Money is not stolen here. Money does not escape from this country. We use it; we invest it. We have only created economic relations with the socialist countries.

Why the campaign? Why did we undertake this campaign? Simple, because our country is the most immune to this kind of situation at this time. Of all of the Latin American and Third World countries, our country is the most immune. We do not have this kind of problem. We can talk. We do not have to go to the IMF every day to talk. There is nothing for us to discuss with the IMF because they threw us out or we left. I do not know; I do not remember how it all happened. [laughter] It was a long time ago. We renegotiated our debt in convertible currency because we have our debt in convertible currency. It is not $100 billion, $20 billion, or $10 billion, but it is close to $3 billion. Our debt increased during those periods when the price of sugar was low and for several other reasons. We incurred a debt, but it no longer increases. It remains the same.

Our debt was renegotiated in 1982. However, our debt is compared to the debts of the Latin American countries. We are free to state this and to discuss it. They can adopt no measures against us. The Yankees have already done as much as they can economically. They try to affect our exports in an attempt to stop us from obtaining foreign exchange; they try to cut off our markets; they persecute us. They do not blockade us; they persecute us. If we sell nickel to Italy, the Yankees begin to pressure the Italian Government: Do not buy nickel from Cuba because this would be an act of disloyalty. NATO, well, the world will come to an end if you buy nickel from Cuba. Wherever we sell, if we sell to Japan or if we sell to any other country, they begin a systematic, methodical campaign against and create difficulties for us. But here we are, dying of laughter. [laughter] I truly feel that they are going to die of cirrhosis of the liver. [laughter] Their liver will be completely destroyed. They seem to forget that they have had 25 years to make our lives impossible and now their last resort is to lie and use tricks and propaganda. Morally, they are down to their bare bones. [laughter]

What can they say about Cuba? Criticize our rates? Some of our rates are better than their rates. We do not have as many cars as the United States, but we do not want those cars. Please, we would contaminate the city with carbon monoxide and the country would be ruined using up tires and fuel. Do we want that kind of madness? No. Let them have as many cars as they want. However, we have better education than they have; better levels of education. Today we are beginning to show better rates in the area of health when compared to their rates. We are ahead of them in several areas.

Despite their embargo, despite all of their attempts to destroy the revolution, the fact that we are alive is a miracle. [laughter] Boy, have they drafted plans to eliminate the Cuban revolution. They have no scruples. Do not think that those gentlemen have scruples. The two parties are the same. A single party cannot be blamed for this type of crime. They are going to die from a liver disease. All of their efforts have been useless. They can do nothing against us. They cannot adopt measures against measures. The developed capitalist world can adopt no measures against us.

So, what bright idea have they gotten to respond to Cuba's charge, to Cuba's explanations and studies? They are desperate. They can do nothing. What can they do? Three nuclear bombs? No. They cannot do it. As a matter of fact, they know that we do not fear their three nuclear bombs. That is even more important. [applause]

Three nuclear bombs, 3 nuclear bombs, 100 nuclear bombs, 1,000 nuclear bombs, 10,000 nuclear bombs are good if you fear them. But if you do not fear them, they are as good as chicken droppings. [laughter] Nothing more. In any event, dropping those bombs on the world is not such a simple matter. Besides, they do not have...[rephrases] their methods of subversion have failed and their threats of conventional warfare have failed because they know what will happen if they come here.

They know it is easier to enter than to leave. What do they have left? To mope and cry and play tricks? That was the last thing they came up with: a mini-campaign. Now they are saying Cuba is inconsistent because it is advocating the cancellation of the debt. Now, I am adding that we must strike. [applause] [chuckles]

I said I would be brief and I plan to keep my word in a few minutes. [laughter]

They are saying that Cuba is inconsistent because while it maintains that the debt must be canceled, it is renegotiating its debt. That is no secret. We are obligated to renegotiate the debt like everyone else and that is what we are doing. Cuba is one of the few countries that can solve that problem without major difficulties. It is quite simple. We export approximately $5.5 billion per year. Those exports are estimated in pesos, but our pesos total more dollars than that. However, we can round it off to $5.5 billion. The interest on our debt with the capitalist industrialist world totals 8.56 percent of the total value of Cuba's exports. Some countries pay 30, 40, or 50 percent, while we are paying 8.56 percent. We do not have financial problems with the socialist bloc. We have renegotiated our debt with our major creditor, the Soviet Union -- and this is not the first time, we have done it many times -- without any problem and without the IMF or the Paris Club. We have renegotiated it at 10 and 15 years without interest. Take note of this. Why don't all of the Latin American countries renegotiate their debts in this way? Why can't the debt be renegotiated at 15 years without interest? Moreover, it should include the interest because no one even remembers what the principal is. The Third World countries are paying the interest on the debt. Approximately $40 billion is paid against the interest on the debt and not on the principal, which will be there forever and even increase. We do not have that problem in our financial relations with the socialist countries.

They claim our debt with the socialist bloc is enormous. Should I tell them how much it is? Should I tell them? I won't; let them guess. [laughter] Let them find out how much we owe the Soviets. They want to know. The Paris Club also wanted to know but we didn't tell them. That is none of their business so we won't tell them how much it is. We got real tough. The Yankees sent all kinds of little letters to the Paris Club telling them to make us tell them how much we owe the Soviet Union. We said no. It is none of their business so we are not going to tell them. There is one thing that we can tell them without hesitation: Our debt with the socialist countries is renegotiated almost automatically at long terms and without interest.

Our sugar and all of our other export products have different prices. The current crises has affected our trade at a rate of 15 percent; for example, when we need to purchase equipment from Mexico, or raw materials and industrial machinery that we cannot obtain in the socialist countries. Our trade with the West is 15 percent -- more or less. However, most of our sugar and other exports are priced much higher on the socialist markets and this gives us the resources to renegotiate our debt. However, they call us inconsistent because we are renegotiating it.

The CIA, that Yankee worm or Cuban-Yankee worm which is more a Cuban-American Yankee worm manipulated by the United State, claims that it has obtained a secret document. It is the document that is sent every year to the banks of creditor countries with which the debt is renegotiated. The CIA said they obtained a secret document and they began to manipulate the allegedly secret document. You can imagine how secret it is; 614 copies of it have already been distributed to all of the banks with which we maintain relations, to many friends, to all of the creditor countries and to financial reporters. Six hundred and fourteen copies and they call it a secret document.

This is so ridiculous at this point. They don't know what else to say. They claim Cuba is irresponsible because it is saying this, but we are the ones who are least affected. I think if Cuba deserves credit it is because it is for waging a battle to resolve a problem in which Cuba is the least affected country. I think this is good evidence of solidarity with the Latin American and Third World countries. Cuba is waging this battle because it can wage it, because Cuba cannot be threatened or gagged. [applause]

You do not want to know what would have happened if any other Latin American country had made this kind of statement. We would have to see how long the government of that country would last. The questioning of how the debt can be renegotiated is a problem. We are the ones who are least affected by this economic crisis. We will accept solutions for the rest of the countries, no more and no less. We are not waging a struggle for Cuba. We are struggling for the Third World countries. We will not benefit too much from that. What portion of our economy and commerce would benefit? 15 percent? Very little.

If the debt problem is resolved, if a new international economic order is established, we will benefit by 15 percent. The other Latin American countries would see benefits of up to 100 percent in their economy. I claim that the debt problem would be resolved by using only 10 or 12 percent of the military expenditures. This is an insignificant amount. Those crazy people would still have enough money to destroy the world five times.

We say that the new international economic order could affect military expenditures by $200 billion annually. However, if Latin America or the Third World increased their purchasing power by $300 billion annually, the industrialized capitalist countries could place many of their industries on full-scale production, employment would increase, and they would begin resolving their own economic crisis. Our position is that we don't have to support the capitalist system. We don't give a darn about the capitalist system. Let it sink if it wants to. We don't want the Third World countries to sink. We don't want a catastrophe in the Third World countries. If no solution is found to this problem, the evolution of the problem will be traumatic. Therefore we are acting as firestarters that proclaim revolutions. If we speak of a revolution it is a revolution in the international economic relations system. This is what we are calling for.

All the arguments that the Yankees are resorting to are ridiculous. They are desperate. They came out with a document stating that Cuba is renegotiating its debt. And, yes, we are going to continue renegotiate it. We are going to wait calmly. We are in a comfortable position. We are not in a desperate position. We are not waging this struggle for our own sake; we are struggling for the Third World. This is what all of this is about.

Those elements exposing the document have failed to say some things. What things? For example, they have not said that in 1984 the Cuban economy grew by 7.4 percent and work productivity grew by 5 percent. This increase in production represented a savings of 200 million pesos that year. It was equivalent to the work of 90,000 workers. Remember when we speak of our productivity we don't count the work of teachers and doctors. speak of material production.

We speak of material production. The cost of production decreased by 2.4 percent which, taken as a whole in the context of the economy, represented a cost reduction of $365 million.

The document states that in our country 1984 investments totalled approximately $4 billion, 14 percent higher than in 1983. This data shows that there has been greater efficiency and sustained growth. Cuba was the only Latin American country to have this growth. It was higher than that of the United States which had a growth of approximately 7 percent that year. We grew by 7.4 percent.

During the first 4 months of this year, the economy grew by 6.6 percent over the previous year. Work productivity increased by 4.8 percent. We are interested in productivity because the problem we have in many areas is that there is a shortage of manpower. This does not mean that machines have displaced workers. On the contrary, our workers receive machines -- the new technology -- with joy. Here is an example. In 1970 approximately 350,000 sugarcane cutters had participated in the sugar harvest. This year only 70,000 workers were required. We have reduced the number of sugarcane cutters needed by almost 300,000. We reduced the number of workers required by 280,000. This was done because of the utilization of machines and technology.

This has great significance for our country. Sugarcane cutters had a very difficult task: to cut sugarcane in the humid and hot weather conditions of Cuba. Now the cutting is being done mostly by machines and the workers have better salaries and better living conditions. We don't have any problems in that regard.

Our economy is steadily marching onward. We already have plans for the next 15 years, and for the next 15 years. We already know how many teachers and doctors we will have, and how many factories and houses we are going to build. We have made all of our development plans. We don't have problems. The fact is we simply don't have problems.

We are not waging a struggle for ourselves. These ridiculous people who are trying to weaken our idea have come out proclaiming that we are renegotiating the debt in a document that is not sent to the IMF since the IMF has nothing to do with this. We have held direct discussions with the creditors who have their club, their team. They like clubs for themselves, but not for others. They like clubs for themselves. They don't like clubs for debtors. How can they like a strike? They don't want a club and they don't want to talk. Then, of course, they don't want a strike either.

We argue with the Paris Club and the Yankees constantly. We send them information with our arguments. The Yankees manage the [word indistinct]. They are the Yankees' allies in NATO and give the Yankees the documents. The Yankees are informed, but we also know about the documents that the Yankees give them. Three years ago, perhaps 2 and 1/2 years ago, when bank representatives met here for discussions, I met with them and I told them: I know you have the paper that the United States sent you. I also have it. [applause] I also know what it says. Look how it is sabotaging every measure, everything. You can see we are looking for solutions and we would like for you to cooperate. If you are going to pay attention to the Yankees, we are sorry because we are the ones who will say under what conditions and what terms we will pay.

I showed them a copy of the paper they were bringing, a paper challenging our document that the United States sent to all countries. The U.S. tricks to create difficulties are nothing new; they are old. These tricks have been developing. We are not suffocated by the problem. Of course, we will do whatever all the other countries do, undoubtedly. We are not in a desperate position.

There are other subjects to discuss. We have obtained data and reached important conclusions here. I also want to point out some data on the United States; however, not too much. It was mentioned here that there is illiteracy in Latin America. You said that there are 46 million illiterates in Latin America. Did you say 46 or 48? Forty-eight, and 52 [million] unemployed.

How is the United States doing in relation to education? How is it doing? I am going to give you some information. Don't believe that they are doing much better than we are! It is a shame. When I say we, I don't mean we the Cubans but we the Latin Americans. I have my doubts about the illiteracy figures. Here is a 26 May report. It states: sociologist Jonathan Kozol the author of "Illiterate America," said today that one-third of the U.S. adult population does not know how to read and that the U.S. Government should make a greater effort to combat growing illiteracy in the United States.

Listen to this: They are preparing for star wars and there are millions of North Americans down here on earth who don't know how to read. The sociologist said that the United States ranks 49th among the literate countries in the United Nations. The 49th place. There are 48 countries ahead of the United States in the education field. The sociologist suggested to booksellers and editors who attended the annual convention of the North American Association of Booksellers that the U.S. gross national product has lost $100 billion due to illiteracy. Kozol said that the Reagan regime's proposal on a voluntary program to solve the illiteracy situation is not adequate.

U.S. Secretary of Education William Bennett said recently that it is not the responsibility of the Federal Government but of parents to teach children to read and write. Kozol has said that we must make them realize that it is the states' responsibility. Kozol revealed that 40 percent of the recruits and military personnel read on the fourth to eighth grade level. That is interesting because all of our military recruits are at least at the 12th grade reading level. Their 40 percent are betwween the fourth and eighth grade levels. This obliges the Army to print educational material in the form of comic books with drawings and illustrations. It takes five pages of illustrated instructions to explain how to lift the hood of a jeep. Something as simple as that requires five comic book pages. The report indicates that the number of illiterate adults was 7 million more than the number of voters who elected the winner of the 1984 elections. Kozol revealed that there are more illiterates than people who voted for Reagan. [laughter] This is the great northern democracy, excellent not only because of its fabulous elections, but also because of the number of its illiterates.

That was a UPI dispatch. Here is another from AFP. The first cites a sociologist. This one reads: A recent report on reading issued by Secretary of Education William Bennett announced a campaign designed to prompt children to read more and watch less television. According to that report, most U.S. children read no more than 4 minutes per day, while they spend an average of 2 hours in front of the television. To the 27 million functionally illiterate, one must add another 46 million who, according to official estimates, can spell and comprehend, but cannot read fluently. Of the 158 members of the United Nations, the United States ranks 49th on the literacy scale. This yields 73 million illiterates and semi-illiterates if you include those who cannot read fluently. The United States has 240 million inhabitants. It is thus surprising that Latin America and the Caribbean, with almost 400 million people, have only 48 million illiterates. We undoubtedly surpass them in many things.

They are not much better off in health care. I have estimates and indexes here. The Washington-based Children's Defense Fund released statistics showing that the standard of living of black U.S. children declined over the past 5 years. The possibility of their being born into poverty, not having access to higher education, and entering the ranks of the unemployed are greater now than in the past. The authors of that report state that statistics show this regresion. In overall terms, these statistics show the permanent inequality that deprives black children of better standards of living. Compared to 1980 when this gentleman assumed office, black children now run higher risks of being born into poverty, not having proper prenatal care, being born to adolescent or single mothers, having unemployed fathers, or not finding work themselves. Their chance of acquiring higher education are slim. According to Marian Wright Edelman, president of the Fund, black children are twice as likely as white children to die before they reach the age of one or of being born prematurely. According to this same report, black children are three times more likely to live in households headed by women or die as a result of negligence, four times more likely to die during childhood, five times more likely to be arrested during their adolescence, and five times more likely to live on welfare later in life. For the first time in this decade, says Marian Wright Edelman, the black population's mortality rate increased in 1983 and 35 black newborns currently die each day in the Untied States as compared with 18 white newborns. Keep in mind that the white population is larger than the black population, and even so 35 newborns die.

As you can see, not only have they taken illiteracy and poverty to our countries, but they have not been able to eliminate these ills. They are victims of their own mistakes and selfishness. In Cuba we have been concerned about these problems and have resolved many of them. We plan to continue to advance in the future. As I said, and I repeat: The key is not only social changes, but also more just economic relations and an economic order between Cuba and the socialist countries. We maintain that the other Third World nations should have the same kind of relationship with the industrialized nations. That is why we said before a commission: It is not enough to cancel the debt or resolve the debt problem. A new international economic order and the ecnomic integration of Latin American countries is necessary if we expect to achieve success, eradicate the terrible ills you have set forth in these documents,and find solutions to the problems that unsettle us.

Please forgive me. I promised to be brief and I was not. Before I close, I want to thank you for coming to Cuba, for the source of motivation you constitute, for the push you have given our efforts and struggles, and to congratulate you for the excellent meeting, outstanding documents, and extraordinary call you have issued to all Latin American and Third World nations, to other women in the world, and to all the world's peoples. Thank you very much. [applause]

STATE COUNCIL ANNOUNCES MINISTERIAL CHANGES

FL131130 Havana Domestic Service in Spanish 1045 GMT 13 Jun 85

[Text] The Cuban Council of State has reached the following agreements:

1. To release Comrade Guillermo Garcia Frias from his post as minister of transportation. Comrade Garcia Frias will be assigned other tasks.

2. To appoint [former Sugar Industry Minister] Comrade Diocles Torralba Gonzalez as transportation minister.

3. To appoint Comrade (Antonio Rodriguez Maurel) as sugar industry minister.

4. To create the Cuban Civil Aeronautics Institute [Instituto Cubano de Aeronautica Civil] and to appoint Comrade Luis Orlando Dominguez as its president.

HAVANA NOTES LATIN REACTION TO CASTRO SPEECH

FL101040 Havana Domestic Service in Spanish 1000 GMT 10 Jun 85

[Text] President Fidel Castro's statements at Friday's closing of the conference on the situation of women today in Latin America and the Caribbean has had broad repercussions in the Latin American press. All the Mexican dailies devoted a large amount of space to Fidel's statements and emphasized his call for unity among less developed countries and for a general strike of Latin American and Caribbean debtor nations.

The Mexican newspapers stressed that the debtor nations are also paying for the United States' rearmament. Venezuelan newspapers also echoed the Cuban president's words, while the Bolivian daily HOY published Fidel's call for a general strike by debtors on its front page.

MALMIERCA PARTICIPATES IN UN DEBATE ON NAMIBIA

FL132344 Havana Domestic Service in Spanish 2130 GMT 13 Jun 85

[Text] The total and unconditional withdrawal of South African troops from Angola was demanded by Cuban Foreign Minister Isidoro Malmierca when he spoke at the UN Security Council, which is discussing the situation in that territory.

[Begin recording] To maintain its hegemony in Namibia, the South African regime maintains an Army of more than 100,000 men, to which must be added special units that regularly conduct raids into Angola under the pretext of hot pursuit. The policy of (?Namibiazation) of the war began with the creation of the so-called Territorial Forces of Southwest Africa-Namibia, which is oriented toward the strategy of the total militarization of the territory by South Africa. [end recording]

The meeting of the UN Security Council was called after South Africa announced the establishment this coming Monday of a provisional government in Namibia, in violation of the 1978 UN resolution establishing the independence of Namibia and providing for free elections to be held there. During the debates, all relationship between Namibian independence and the withdrawal of Cuban forces from Angola has been rejected.

DPRK FOREIGN MINISTER KIM YONG-NAM ARRIVES

FL140126 Havana Television Service in Spanish 0000 GMT 14 Jun 85

[Text] Kim Yong-nam, vice premier and foreign minister of the DPRK, has arrived in our country on an official visit. Jose Ramon Fernandez, vice president of the Councils of State and Ministers and minister of education, received him at the airport. Jose Raul Viera Linares, minister of foreign relations ad interim, and other officials also received the visitor. Kim Yong-nam will stay in Cuba until next Tuesday. During his stay he will have a full program of activities.

VIEGA CALLS FOR UNITY AT MANAGUA MEETING

FL131150 Havana Domestic Service in Spanish 1000 GMT 13 Jun 85

[Text] Roberto Viega, secretary general of the Central Organization of Cuban Trade Unions [CTC], has said in Managua that only if we unite will we have the power to make ourselves heard and to proclaim that a solution to the foreign debt problem will open the way for a new international economic order.

Veiga, who is also an alternate member of the Politburo, added that it is no secret that the countries of Latin America and the Caribbean are suffering the most profound socioeconomic crisis in their history. The crisis is becoming increasingly unbearable. He said the prescriptions offered by the IMF, far from solving the problems, are leading to greater unhappiness for the masses and will mean a political, economic, and social disaster. The Cuban CTC leader made these statements at a press conference in the Nicaraguan capital, where he is attending a coordinating meeting of trade union representatives of most of the Central American countries. The purpose of the meeting is to prepare for and disucss the Latin American trade union conference to be held in Havana from 15 to 17 July.

REACTION TO U.S. AID TO NICARAGUAN CONTRAS

FL131743 Havana Television Service in Spanish 1152 GMT 13 Jun 85

[Commentary by Roberto Alvarez Quinon]

[Excerpt] Yesterday, the U.S. House of Representatives approved, by a large margin, financial assistance to the Nicaraguan counterrevolution, to the contra bands that operate in Nicaraguan, Hondurans, and Costra Rica. This means that these bands may receive $27 million in supposedly nonmilitary aid. This nonmilitary aid is interesting because there is nothing nonmilitary about it. Senator Edward Kenndey sáid all troops need food, transportation, medicine, and clothing. This assistance preserves the fighting ability of those troops. The aid provided to the contras will be military. There is no doubt that it is military aid. The fighting ability of these troops is maintained, preserved, and increased. The House of Representatives also lifted the prohibition on using U.S. fúnds to finance military actions in Nicaragua. This represents two votes against Nicaragua in the House of Representatives.

Reagan's pressures and a letter he wrote to the representatives were very influential. In his letter, Reagan promised not to overthrow the Sandinist government and to find a political, nonmilitary solution in Nicaragua. The speaker of the House of Representatives Democrat Thomas O'Neill, said: President Reagan has told us it is not his intention to use military force in Nicaragua but knowing him, I know he will not be happy until our Marines are in that country. One does not have to be sharp to understand that O'Neill has called Reagan a liar -- he says one thing but is planning to do something else. The bill, even though it was approved, has the disapproval of the more lucid members of the House and, above all, the disapproval of the U.S. population.

Considering the ethics, morals, and politics, and the fact that countries have to live together, it is amazing how a legislature can decide to give military aid to a band of assassins, a band of criminals fighting against a legitimate government. This is blatant aggression, intervention in the internal affairs of another country, but it is being overlooked. The United States does not have the right to provide this kind of aid, but this is never questioned. For 40 years, the Somozists oppressed and bloodied the Nicaraguans and Congress never approved assistance to the FSLN.

This is dangerous. The Senate approved $38 million. Now the House approves $27 million. The figure does not matter. What matters is the military and political purpose of this aid. It is dangerous because if Reagan has no resistance in Congress, if he has a free hand to act, today it's this aid, tomorrow it can be something else. If the senators and representatives allow themselves to be pressured or seduced by the President, if there is no resistance in Congress, this could provoke a major right-wing U.S. policy.

Cubans know that this does not mean that the Nicaraguans will lower their guard. Nothing will happen in Nicaragua. This is simply a reprehensible act, a very dangerous act, which needs to be confronted.

AGITATION INCREASES AS WORKERS DEMAND WAGE HIKES

PA120319 Paris AFP in Spanish 2213 GMT 11 Jun 85

[Excerpt] Santo Domingo, 11 Jun (AFP) -- The closure of businesses on the outskirts of Santo Domingo, the suspension of court hearings in eight rural districts, and a strike involving administrative employees of the state university are highlights of increasing social agitation to demand a general wage increase seen today in the Dominican Republic.

According to press reports, police intensified vigilance in Santiago de los Caballeros, the second largest city in the country, 180 km north of Santo Domingo, in the wake of the announcement of neighborhood stoppages convoked by the so-called Committees for the People's Struggle (Comites de Lucha Popular).

The need to increase wages, which were lowered after the implementation in late January of a strict austerity program agreed upon with the IMF, is acknowledged by all, government and opposition, executive and legislative branches, labor unions and businessmen, as well as the church and the media.

Political differences, especially within the ruling Dominican Revolutionary Party (PRD), which holds an absolute majority in both chambers, thwarted the approval last week of a law to increase wages presented by the executive branch to the chambers 4 months ago.

The disagreement centers on the fact that the executive branch requires the approval of new taxes to provide the revenue to pay higher wages to public employees.

CUBA ASKED TO SHARE PROFITS ON SUGAR EXPORTS

PA131839 Paris AFP in Spanish 1246 GMT 12 Jun 85

[Text] Santo Domingo, 12 Jun (AFP) -- Dominican Republic sugar industry authorities asked Cuba today, in the name of solidarity with Latin America, to share with the Dominican Republic the large financial advantages it receives when it sells Dominican sugar purchased at a low price to the USSR.

Victor Manuel Buez, Director of the State Sugar Council (CEA), made this suggestion. Buez said that Cuba purchases Dominican sugar at $0.05 a pound on the world market and then sells it to the USSR at a price six times higher, under a bilateral cooperation agreement. The CEA director added that since January 1984 Cuba has purchased $226 million in sugar on the international market, and then sold it to the USSR for $1.7 billion.

The Dominican Republic sugar industry, this country's main economic activity, is facing severe difficulties because of the low price of sugar on the world market. The current price of sugar on the world market is $0.05 a pound, and the production costs in the Dominican Republic are $0.15 a pound. Only 40 percent of the Dominican Republic sugar exports benefit from the preferential tariffs granted by the United States.

The CEA director said: "Cuba would demonstrate its solidarity with Latin America with deeds if, for instance, it purchased sugar from us" at a price some 10 cents higher than that of the world market, "which would still allow the Cubans to make a 100-percent profit when they sell it to the USSR."

ANTIGUA AND BARBUDA

DOCTORS STRIKE TO PROTEST TRAINING PROGRAM

FL121502 Bonaire Trans World Radio in English 1130 GMT 12 Jun 85

[Text] Doctors in Antigua and Barbuda staged a work shutdown yesterday to protest the training program that allows students from an offshore medical school to treat patients at a government hospital. All of the country's district clinics were closed by the protest and doctors only made house calls for serious emergencies. A spokesman for the strikers said his group was not opposed to the school's existence but felt that students from the school should not be allowed to treat petients at hospitals as part of their training. The protest is expected to end this morning.

DOMINICA

MINISTER ON U.S. REACTION TO COMMUNIST REGIME

FL131529 Bridgetown CANA in English 2028 GMT 12 Jun 85

[Text] Roseau, Dominica, June 10, CANA --A Dominica Government minister has said that the United States would not be interested in turning back a communist regime voted into office here. Minister for Communications and Works Alleyne Carbon, speaking yesterday in his hometown village of Clifton, 52 miles north of here, said Washington would not help Dominica in the way it did Grenada, where a Marxist group took power in a coup. Carbon's comment is the latest by leading Freedom Party government spokesmen who are trying to convince voters that the opposition Labour Party is communist. Dominicans go to the polls on July 1.

Let me warn you, America will not come and help us the way they have assisted Grenada, Carbon said. In Grenada they took office by a coup, so you could go in there and release them. In Dominica we will have voted for the communists and therefore America will not come and help you. The United States led a Caribbean force into Grenada in 1983 to quell a bloody military coup that had resulted in the death of leftwing Prime Minister Maurice Bishop and key members of his cabinet. Dominica's Prime Minister Eugenia Charles, then chairman of the Organisation of Eastern Caribbean States (OECS), played an influential role in securing the American invasion.

JAMAICA

PRIME MINISTER PROJECTS ECONOMIC DECLINE

FL101854 Bridgetown CANA in English 1705 GMT 10 Jun 85

[By Paget Defreitas]

[Text] Kingston, Jamaica, June 7, CANA -- Prime Minister Eduard Seaga last night promised firm adherence to his austere monetarist policies, and projected a near four per cent economic decline this fiscal year. Seaga spoke in parliament as he opened debates on the J4.7 billion dollar (one J dollar: 18 U.S. cents) 1985-86 budget.

A relaxation of his policies, such as easing credit restrictions and lowering interest rates, and a reintroduction of import regulations as canvassed by critics, would lead to chaos and prices would zoom out of what the people could bear, Seaga said.

He warned that many more public sector jobs would be lost this year, and told government workers, some of whom have taken industrial action recently, that they could not receive pay increases higher than being offered in current wage negotiations.

The prime minister did not introduce additional taxation following his April imposition of higher duties on a wide range of imports to raise J285 million dollars. He, however, gave clear warning that another significant tax package was in the offing for next year, saying that this, like the present measures, would be essential to economic recovery which he expects in three years. Tax reform measures designed to ease the burden on hard-pressed Jamaicans would also be introduced in parliament in 1986.

Seaga announced that a new 20-month agreement with the International Monetary Fund (IMF) for U.S. 120 million dollars had been agreed in principle to start in August. As required by IMF deals, the government will continue to slash the budget deficit, reduce public spending, and keep a tight rein on credit. Over the past year, the deficit has been cut from 17 to 7.2 per cent of gross domestic product, and the government hopes to bring it down to four per cent in three years. But the social cost has been heavy -- high prices and lowering living standards, as the administration cut spending on subsidies and services, while more than 6,000 public sector jobs were axed last year.

Seaga, arguing that the state's wage will was still unsustainable, was many more people would have to go home, but gave no figure. [as received] It is, regrettably, the inevitable decision that within a very short time, a significant reduction in the staff of government service will have to be effected, he said.

He told public workers who have showed increasing agitation with the administration's offer of a 10 per cent wage hike that there was no more for pay increases than the budgeted J178 million. For the same reason that costs have to be kept within affordable limits, the regarding of the public sector cannot exceed the wage fund provided for in this exercise, as already outlined in the negotiations, said Seaga who is also the minister of finance. I can understand, only too well, the disappointment of those who are seeking more substantial increases in wages and salaries than can be provided, and indeed, I wish it were possible to accommodate, said the prime minister in his presentation carried live on radio and television.

Teachers have taken strike action over the wage issue and nurses have planned protests, while the police have said they could not accept a 10 per cent hike.

Seaga announced the activation of a J10-million dollar fund to finance micro-enterprises for young people with no training. There were about 13,000 such young people joining the labour force each year, the prime minister said.

Seaga blamed much of Jamaica's current economic problems on the socialist Michael Manley government of the 1970's, and the down-turn in the world aluminium markets that has since 1981 severely hit the key bauxite sector. In the past year, two American companies, Reynolds and Alcoa, have halted their operations here, and the future of a third, Alpart, is in the balance. Bauxite production has declined from 12 million tonnes in 1980 to 7.7 million tonnes last year, and industry earnings and government taxes have declined sharply over the period.

Seaga said that losses in taxes and earning from the Reynolds and Alcoa decisions were causing the government to slash U.S. 138 million dollars from the import budget, which last year reached over U.S. 1.2 billion dollars, but still declined by over 70 million dollars from the previous year.

The inevitable result is that the forecast for 1985-86 is a 3.8-per cent negative growth in the economy, Seaga said. He, however, noted that last year the economy declined by only 0.4 per cent, despite expectations of a much more significant contraction. The sectors expected to show the heaviest declines are construction by over 20 per cent, mining by 13 per cent, and manufacturing by nearly 8 per cent.

Seaga said that Jamaica would come to terms with its difficulties with a reduction of its need to borrow. The government has forecast a deficit of a little over J1.5 billion dollars, a little higher than the capital outlay of 1.44 billion dollars. Seaga indicated there would be financing for the deficit but did not give details.

He pointed to what he considered successes for his administration -- the reduction of the budget deficit especially, and a balance of payments surplus of U.S. 265 million dollars last year after the 1983-84 shortfall of 312 million dollars. The positive performance was due largely to an increase of government capital inflows -- generally loans -- from U.S. 164 million dollars in the previous fiscal year to U.S. 387 million in 1984-85. Additional private capital inflows last year netted U.S. 178 million dollars, reversing the previous year's net outflow of 202 million dollars. This Seaga saw as private sector endorsement of Jamaica and his policies.

TEACHERS, NURSES STRIKE FOR HIGHER WAGES

FL131306 Bonaire Trans World Radio in English 1130 GMT 13 Jun 85

[Text] Thousands of teachers and nurses across Jamaica staged strikes yesterday demanding that government increase salary offers unanimously rejected by unions representing public servants. Teachers Tuesday walked off the job in 4 of Jamaica's 14 parishes and demonstrated in St Mary and St Thomas in the east and Westmoreland and Trelawney in the west. There were no incidents reported. Some 6,000 registered nurses yesterday staged the third straight day of 3-hour work at island hospitals.

TRINIDAD AND TOBAGO

MINISTER MEETS WITH NICARAGUA'S D'ESCOTO

FL131522 Bridgetown CANA in English 1519 GMT 13 Jun 85

[Excerpt] Port-of-Spain, Trinidad, June 13, CANA -- Trinidad and Tobagos external affairs minister, Errol Mahabir, met yesterday with Nicaragua's foreign minister, Miguel D'Escoto, in New York to discuss Central American issues, an official statement said. The External Affairs Ministry here said that the two ministers discussed military, economic, diplomatic, and legal pressures facing Nicaragua and the measures being proposed by that country for maintaining peaceful relations with Costa Rica, which has recently complained of military incursions from Managua.

According to the release, Mahabir is due to meet today with the secretary general of the United Nations, Javier Perez de Cuellar, who paid a three-day visit here earlier this month. Mahabir is in New York to chair a UN Security Council special session on Namibia which has so far been addressed by representatives from 34 countries.